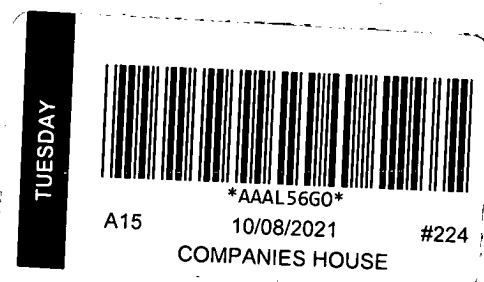


STRICTLY EDUCATION LIMITED
REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 30 NOVEMBER 2020

REGISTERED NUMBER: 05107810



STRICTLY EDUCATION LIMITED
FINANCIAL STATEMENTS
For the period ended 30 November 2020

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STRICTLY EDUCATION LIMITED
DIRECTORS' REPORT
For the 8 month period ended 30 November 2020

The directors present their report and the audited financial statements of the company for the 8 month period ended 30 November 2020. The company changed its year end from 31 March to 30 November to align itself to its new group reporting period.

Principal activities

The principal activity of the company in the period under review was the provision of support services to schools. The company's future prospects are discussed in the Strategic report on page 3.

Results and dividends

Details of the results for the period are set out in the statement of comprehensive income on page 8.

The company did not pay a dividend during the period (31 March 2020: £nil). The directors do not recommend the payment of a final dividend.

Directors

The following directors held office during the period:

S Collard – resigned 10th December 2020
B Dunn
A Fisher
R Moore – resigned 10th December 2020
G A D Whittaker – resigned 29th October 2020
K Willis – resigned 31st May 2020
JV Bowman – appointed 10th December 2020
LD Donnison – appointed 10th December 2020
JN Roback – appointed 10th December 2020

Third party indemnity provision for directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

Statement as to disclosure of information to the auditor

The directors who were in office at the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they 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 establish that it has been communicated to the auditor.

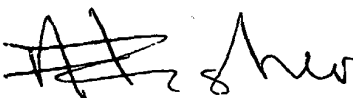
Matters of a strategic importance

The directors have chosen to include certain matters of strategic importance otherwise required to be included in the Directors report in the Strategic report. It has done so in respect of future developments.

Auditor

RSM UK Audit LLP is to be reappointed under Section 485 of the Companies Act 2006.

By order of the board



A Fisher
Director



B Dunn
Director

15 April 2021

STRICTLY EDUCATION LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
For the 8 month period ended 30 November 2020

The directors are responsible for preparing the Strategic Report and 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 period. 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent; and
- c. 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.

STRICTLY EDUCATION LIMITED
STRATEGIC REPORT
For the 8 month period ended 30 November 2020

The directors present their strategic report for the 8 month period ended 30 November 2020.

Review of the business

Details of the financial performance for the 8 month period are set out in statement of comprehensive income on page 8.

The principal activity of the company during the period was the provision of support services to schools. There have not been any significant changes to the company's principal activities in the period under review and the directors have no plans, at the date of this report, to make any major changes to the company's activities in the next year.

On 10th December 2020 100% of the share capital of the company's immediate parent company, Education Services Solutions Ltd, was acquired by Supporting Education Group Limited.

Financial performance

In advance of the first lockdown the company facilitated remote working for all staff enabling the company to continue to deliver services to schools throughout the Covid-19 crisis. The slowdown in teacher recruitment in the spring/summer of 2020 meant a reduction in revenues from pre-employment HR services provided by the company, however the support provided by the business to its clients during the crisis has been very well received and has resulted in higher levels of client retention going into the new financial year. Where revenues were adversely affected by the crisis the business took necessary steps to mitigate the impact, prudently managing its cost-base.

Since the period-end the company has continued to invest significantly in the development of a new technology platform to deliver market-leading solutions to payroll and HR clients. This will be rolled out over the course of 2021.

The directors consider that the financial key performance indicators are revenue and operating profit before one-off items.

	8 months ended 30 November 2020 £'000	15 months ended 31 March 2020 £'000	Pro-rated Change %
Revenue	5,693	11,353	(6%)
Operating profit before one-off items	256	609	(21%)
Average number of permanent employees	176	187	

The directors consider the state of affairs at the balance sheet date to be in line with their expectations for the period.

Future developments

The directors are looking to ensure the company builds upon the growth achieved over recent years. This will be achieved primarily organically within the organisation and growth by means of acquisition will also be considered.

STRICTLY EDUCATION LIMITED
STRATEGIC REPORT
For the 8 month period ended 30 November 2020

Principal risks and uncertainties

The directors seek to identify material risks and put in place policies and procedures to mitigate any exposure. These include:

Competitor risk

The market for the company's products and services is becoming more competitive as other companies seek to take advantage of the opportunities provided by the state education sector. The company believes its experience of the industry, together with its customer service, gives it a competitive advantage over new entrants to the market.

Economic risk

With the UK Government continuing with their programme of budget cuts, the state education sector may have less funds available to purchase services from the company. The directors are continually looking to broaden the offering to schools to remain competitive.

Covid-19

The education sector in the UK is largely funded by government and has seen no reduction in funding as a result of the Covid-19 crisis.

In terms of renewal of annual service contracts with schools and academies, the company saw no impact of Covid-19 on renewals and cash collection on those contracts payable annually in advance was better than in previous years, with central government instructing educational establishments to pay suppliers quicker during the crisis.

With the re-opening of schools in March 2021, the company expects to see a return to pre-crisis levels of ad-hoc consultancy and advisory revenues. The directors have assessed the impact of the virus on the company and have adjusted the forecast business performance accordingly. The directors believe the company will continue to produce a positive Earnings before interest, tax, depreciation and amortisation and to generate positive cash flows from its trading activities.

Financial instruments

The company's principal financial instruments during the period comprised cash and trade debtors that arise directly from its operations; the main purpose of these financial instruments is to provide funding for the company's operations.

In addition, the company has significant group debtors and bank borrowings that arise from financing activities linked to the acquisition of the company. These borrowings were settled in full on the sale of the group in December 2020.

The existence of these financial instruments exposes the company to certain financial risks. These are summarised below:

Interest rate risk

Interest rate risk arises on borrowings and cash balances at floating interest rates. Changes in interest rates could have the effect of either increasing or decreasing the company's net result. The company was exposed to such risk on the long-term loan from Barclays and client funds placed on a short-term treasury deposit.

Credit risk

The company seeks to manage its credit risk by dealing with established customers and by identifying and addressing any credit issues in a timely manner.

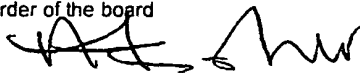
Liquidity risk

The company has low exposure to liquidity risk as it continues to generate free cash-flows and has sufficient liquid assets to manage any short-term liquidity issues.

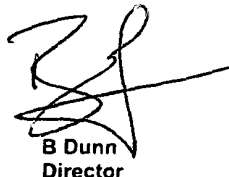
Cash flow risk

Through regular cash flow forecasting and monitoring of cash flows the company can meet its financial commitments as they fall due.

By order of the board



A Fisher
Director



B Dunn
Director

15 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRICTLY EDUCATION LIMITED

Opinion

We have audited the financial statements of Strictly Education Limited (the 'company') for the 8 month period ended 30 November 2020 which comprise of Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 November 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

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 auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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.

Matters on which we are required to report by exception

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRICTLY EDUCATION LIMITED

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

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and enquiring with management as to whether there has been any correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to GDPR. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and review of board minutes.

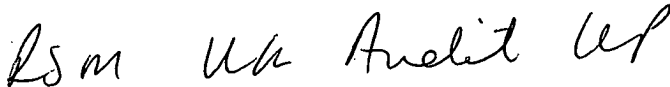
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STRICTLY EDUCATION LIMITED

The audit engagement team identified the risk of management override of controls and the capitalisation of development costs as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates applied in the capitalisation of development costs and performing tests of detail.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

Handwritten signature in cursive script, appearing to read "RSM UK Audit LLP".

Anne Lakin (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

26 April 2021

STRICTLY EDUCATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the 8 month period ended 30 November 2020

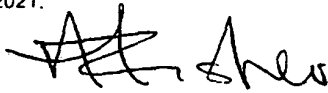
	Note	8 month period ended 30 November 2020 £	15 month period ended 31 March 2020 £
Turnover	2	5,693,253	11,353,310
Cost of sales		<u>(3,815,077)</u>	<u>(7,593,522)</u>
Gross profit		1,878,176	3,759,788
Administrative expenses		<u>(1,621,783)</u>	<u>(3,281,883)</u>
Operating profit		256,393	477,905
Interest payable and similar charges	3	<u>(72,491)</u>	<u>(151,424)</u>
Profit before taxation	4	183,902	326,481
Tax on profit	6	<u>(107,608)</u>	<u>(72,300)</u>
Profit for the financial year and total comprehensive income for the year		<u>76,294</u>	<u>254,181</u>

All of the company's operations are classified as continuing.

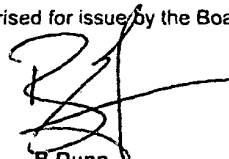
STRICTLY EDUCATION LIMITED
COMPANY NUMBER: 05107810
STATEMENT OF FINANCIAL POSITION
At 30 November 2020

	Note	30 November 2020 £	31 March 2020 £
FIXED ASSETS			
Goodwill	7	69,951	95,711
Other intangible assets	8	<u>1,085,082</u>	<u>457,041</u>
Total intangible assets		1,155,033	552,752
Tangible assets	9	<u>78,977</u>	<u>72,633</u>
		<u>1,234,010</u>	<u>625,385</u>
CURRENT ASSETS			
Debtors due within one year	10	948,575	1,326,662
Debtors due after more than one year	10	3,791,238	3,764,487
Cash at bank and in hand		<u>561,779</u>	<u>647,704</u>
		5,301,592	5,738,853
CURRENT LIABILITIES			
Creditors:			
Amounts falling due within one year	11	<u>(3,082,226)</u>	<u>(1,733,218)</u>
Net current assets		<u>2,219,366</u>	<u>4,005,635</u>
Total assets less current liabilities		3,453,376	4,631,020
NON-CURRENT LIABILITIES			
Amounts falling due after more than one year	12		(1,351,577)
Provision for liabilities	14	(180,099)	(82,460)
			<u>(1,434,037)</u>
NET ASSETS		<u>3,273,277</u>	<u>3,196,983</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Profit and loss account	16	<u>3,272,277</u>	<u>3,195,983</u>
TOTAL EQUITY		<u>3,273,277</u>	<u>3,196,983</u>

The financial statements on pages 8 to 21 were approved and authorised for issue by the Board of Directors on 15 April 2021.



A Fisher
Director



B Dunn
Director

STRICTLY EDUCATION LIMITED
STATEMENT OF CHANGES IN EQUITY
For the 8 month period ended 30 November 2020

	Share Capital £	Statement of Comprehensive Income £	Total £
At 31 December 2018	1,000	2,941,802	2,942,802
Total comprehensive income for the year	-	254,181	254,181
At 31 March 2020	1,000	3,195,983	3,196,983
Total comprehensive income for the year	-	76,294	76,294
At 30 November 2020	<u>1,000</u>	<u>3,272,277</u>	<u>3,273,277</u>

STRICTLY EDUCATION LIMITED

ACCOUNTING POLICIES

For the 8 month period ended 30 November 2020

GENERAL INFORMATION

Strictly Education Limited (the "Company") is a private company limited by shares domiciled and incorporated in England. The address of the Company's registered office and principal place of business is 99 Bridge Road East, Welwyn Garden City, Herts AL7 1GL. The Company's general activities are set out in the Directors' Report on page 1.

REPORTING YEAR

The company's accounting reference date has been changed from 31 March 2020 to 30 November 2020 to align with the Group. Consequently the financial statements are presented for the 8 month period ended 30 November 2020. The prior year financial statements were for the 15 months ended 31 March 2020. Consequently, the comparative accounts presented in the financial statements (including the related notes are not entirely comparative).

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Groups (Accounts and Reports) Regulations 2008 and under the historical cost convention. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

REDUCED DISCLOSURES

In accordance with FRS 102 the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 and Section 12 – 'Basic Financial Instruments' and 'Other Financial Instrument Issues'. Carrying amounts, debtor impairment losses, interest income/expense and net gains/losses for each category of financial instrument
- Section 33 'Related Party Disclosures' – compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Education Services Solutions Limited (ESSL). The consolidated financial statements of ESSL are available from its registered office the address of which is as per the Company.

GOING CONCERN

The company's business activities are set out in the Directors' Report on page 1 and a review of its performance together with factors likely to affect its future development, performance and position are set out in the Strategic Report on page 3.

The company is forecast to generate positive cash flows from its trading activities for at least 12 months from the date of signing the financial statements. As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The directors have prepared detailed forecasts of business performance and future cashflows, taking into account the adverse impact of the virus. The business remains profitable and generates positive cash flows from its trading activities. As a result, the directors do not believe that the ongoing Covid-19 crisis represents a challenge to the going concern assumption.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

All translation differences are taken to profit or loss.

TURNOVER

Turnover represents the value of goods and services provided, excluding value added tax. Income from the sale of services is recognised over the period of the contract to provide those services. Amounts invoiced in advance or arrears of performance are recognised in deferred and accrued income respectively.

OTHER INCOME

Interest income

Interest income is accrued on a time-apportioned basis by reference to the principal outstanding at the effective interest rate.

STRICTLY EDUCATION LIMITED
ACCOUNTING POLICIES
For the 8 month period ended 30 November 2020

INTANGIBLE FIXED ASSETS - GOODWILL

Goodwill is capitalised and written off evenly over 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

INTANGIBLE FIXED ASSETS (OTHER THAN GOODWILL)

Software development

The company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- a) the technical feasibility of completing the development so the intangible asset will be available for use;
- b) its intention to complete the development and to use the asset;
- c) its ability to use the intangible asset;
- d) how the intangible asset will generate probable future economic benefit;
- e) the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset;
- f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The third-party cost of developing bespoke computer software for use in the business is capitalised and initially measured at cost and subsequently measured at cost net of amortisation and any impairment losses.

Amortisation is provided at a rate of 25% per annum in order to write off each asset on a straight-line basis over its estimated useful life.

All development expenditure that does not meet the above criteria is expensed as incurred.

Purchased computer software

Computer software purchased for use in the business is initially measured at cost and subsequently measured at cost net of amortisation and any impairment losses.

Amortisation is provided at a rate of 25% - 33% per annum in order to write off each asset on a straight-line basis over its estimated useful life.

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset on a straight-line basis over its estimated useful life:

Leasehold improvements	-	over the life of the lease
Office equipment	-	20% - 25%
Computer equipment	-	25% - 33%

IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are any indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash generating-unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversal of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when the tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

STRICTLY EDUCATION LIMITED
ACCOUNTING POLICIES
For the 8 month period ended 30 November 2020

TAXATION (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is measured on a non-discounted basis.

Current and deferred tax is charged or credited in profit or loss except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASES

All leases are operating leases and the annual rentals payable are charged to profit or loss on a straight line basis over the lease term. Rent free years or other incentives for entering into an operating lease are accounted for as a reduction to the expense and are accounted for on a straight-line basis over the lease term.

EMPLOYEE BENEFITS

The cost of short term benefits are recognised as a liability and an expense unless those costs are capitalised as an intangible fixed asset.

RETIREMENT BENEFITS

Pension contributions are made for a number of directors and employees on a defined contribution basis. Contributions payable for the year are charged to profit or loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (included accrued income) which are receivable in one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade, group and other debtors are subsequently measured at amortised cost being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade, group and other debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, using the effective interest rate method.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The critical areas in which the directors have applied their judgement are the valuation and useful economic lives of the intangible assets and goodwill, and the capitalisation of software development.

Intangible fixed assets, such as goodwill, customer lists and tangible fixed assets, are amortised over their useful lives. The actual, useful lives of assets are assessed annually and will vary depending on a number of factors. In assessing the lives of all assets factors such as technological advancements and current trading levels are taken into account.

The Company capitalises development costs based on the directors assessment of the projects undertaken in the year against the criteria set under FRS102 section 18, as part of this the directors make judgements on the feasibility of such projects and projected revenues. These judgements are based on their knowledge and experience of the industry and historic performance. The directors assess these capitalised development costs annually for impairment using similar judgements.

2. TURNOVER

Turnover, which relates to the provision of services, is stated net of value added tax and trade discounts, is attributable to the one continuing principal activity of the company. The whole of turnover is attributable to the UK market.

	30 November 2020	31 March 2020
	£	£
Provision of services	5,693,450	11,171,011
Interest earned on client monies held	(197)	182,299
	<hr/>	<hr/>
	5,693,253	11,353,310

3. INTEREST PAYABLE AND SIMILAR CHARGES

	30 November 2020	31 March 2020
	£	£
Bank loans	50,381	113,201
Amortisation of issue costs of bank loans	22,110	38,223
	<hr/>	<hr/>
	72,491	151,424

4. PROFIT BEFORE TAXATION

	30 November 2020	31 March 2020
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets	31,991	73,372
Amortisation of goodwill	25,760	48,520
Amortisation of other intangible fixed assets	132,437	255,659
One-off non recurring items	-	131,780
Operating lease rentals		
- Rent paid on land and buildings	97,210	190,147
Bad debts	3,200	6,250
Auditor's remuneration for audit services	15,120	22,749
Auditor's remuneration for other services	5,000	8,533
	<hr/>	<hr/>

During the prior period, non recurring items include severance payments to former Directors and Senior Managers and associated legal fees.

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

5. EMPLOYEES

	30 November 2020 Number	31 March 2020 Number
The average monthly number of employees, including directors, of the company during the year was:		
Sales, customer support and development	110	111
Weekly staff	50	61
Administration	16	15
	<u>176</u>	<u>187</u>

	30 November 2020 £	31 March 2020 £
Staff costs for the above persons:		
Wages and salaries	3,168,266	6,200,082
Social security costs	307,743	581,467
Other pension costs	88,966	164,292
	<u>3,564,975</u>	<u>6,945,841</u>

DIRECTORS

The remuneration of the directors of Strictly Education Limited was:

	30 November 2020 £	31 March 2020 £
Emoluments	319,489	616,761
Company contributions to money purchase pension schemes	11,497	22,605
Compensation for loss of office	-	27,000
	<u>330,986</u>	<u>666,366</u>

Three directors (31 March 2020: four) were accruing benefits under defined contribution pension arrangements during the year.

Directors emoluments disclosed above include the following payments to the highest paid director.

	30 November 2020 £	31 March 2020 £
Emoluments	133,016	266,289
Company contributions to money purchase pension schemes	4,664	8,750
	<u>137,680</u>	<u>275,039</u>

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

6. TAXATION

	30 November 2020 £	31 March 2020 £
Current Tax:		
UK corporation tax	-	54,766
Adjustments in respect of prior years	9,969	3,835
Total current tax	<u>9,969</u>	<u>58,601</u>
Deferred tax		
Origination and reversal of timing differences	97,561	5,185
Adjustments in respect of prior years	78	380
Effect of tax rate on opening balance	-	8,134
Total deferred tax	<u>97,639</u>	<u>13,699</u>
Total tax on profit on ordinary activities	<u><u>107,608</u></u>	<u><u>72,300</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of Corporation Tax in the UK. The differences are explained below:

	30 November 2020 £	31 March 2020 £
Company profit before tax	<u>183,902</u>	<u>326,481</u>
Profit on ordinary activities before taxation multiplied by the effective standard rate of corporation tax in the UK of 19% (31 March 2020: 19.00%)	34,941	62,031
Effects of:		
Expenses not deductible for Corporation Tax purposes	485	7,216
Income not taxable for tax purpose	-	-
Group relief surrendered/(claimed)	60,142	(9,296)
Fixed asset timing differences	1,993	-
Adjustments in respect of prior years	9,969	3,835
Adjustments in respect of prior years – deferred tax	78	380
Adjust opening deferred tax charge to average rate of 19%	-	8,134
Total tax charge	<u><u>107,608</u></u>	<u><u>72,300</u></u>

The rate of corporation tax with effect from 1 April 2018 is 19%.

Factors affecting tax charges for future years

The company has a deferred tax liability of £180,099 (31 March 2020: £82,460). This is shown at a corporation tax rate of 19% (31 March 2020: 19%). This has been analysed in Provisions for liabilities (see note 14).

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

7. INTANGIBLE FIXED ASSETS - GOODWILL

	Positive Goodwill £
Cost	
At beginning and end of period	<u>546,239</u>
Amortisation	
At 31 March 2020	450,528
Charge for the period	<u>25,760</u>
At 30 November 2020	<u>476,288</u>
Carrying amount	
At 30 November 2020	<u>69,951</u>
At 31 March 2020	<u>95,711</u>

The amortisation of goodwill is included within administrative expenses.

8. OTHER INTANGIBLE FIXED ASSETS

	Software development costs £	Purchased Computer Software £	Total £
Cost			
At 31 March 2020	622,464	399,060	1,021,524
Additions	<u>741,272</u>	<u>19,206</u>	<u>760,478</u>
At 30 November 2020	<u>1,363,736</u>	<u>418,266</u>	<u>1,782,002</u>
Amortisation			
At 31 March 2020	292,473	272,010	564,483
Charge for the period	<u>95,638</u>	<u>36,799</u>	<u>132,437</u>
At 30 November 2020	<u>388,111</u>	<u>308,809</u>	<u>696,920</u>
Carrying amount			
At 30 November 2020	<u>975,625</u>	<u>109,457</u>	<u>1,085,082</u>
At 31 March 2020	<u>329,991</u>	<u>127,050</u>	<u>457,041</u>

The amortisation charge for the year is recognised within administrative expenses.

There are no contractual commitments to acquire intangible assets (31 March 2020: £nil).

Included in the software development costs are £660,772 amounts in development stage and have therefore not been depreciated (31 March 2020: £14,250). These relate to a new customer platform to provide fully integrated service portal.

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Computer Equipment £	Office equipment £	Total £
Cost				
At 31 March 2020	115,987	211,375	246,992	574,354
Additions	-	38,335	-	38,335
At 30 November 2020	<u>115,987</u>	<u>249,710</u>	<u>246,992</u>	<u>612,689</u>
Depreciation				
At 31 March 2020	97,433	168,691	235,597	501,721
Charge for the period	4,114	19,391	8,486	31,991
At 30 November 2020	<u>101,547</u>	<u>188,082</u>	<u>244,083</u>	<u>533,712</u>
Carrying amount				
At 30 November 2020	<u>14,440</u>	<u>61,628</u>	<u>2,909</u>	<u>78,977</u>
At 31 March 2020	<u>18,554</u>	<u>42,684</u>	<u>11,395</u>	<u>72,633</u>

10. DEBTORS

	30 November 2020 £	31 March 2020 £
Trade debtors	426,193	343,473
Amounts owed by group undertakings	123,132	554,107
Other debtors	41,499	39,911
Corporation tax	7,750	-
Prepayments and accrued income	<u>350,001</u>	<u>389,171</u>
	948,575	1,326,662
<i>Amounts due in more than one year</i>		
Amounts owed by other group companies	<u>3,791,238</u>	<u>3,764,487</u>
	<u>4,739,813</u>	<u>5,091,149</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 November 2020 £	31 March 2020 £
Bank loans	1,634,776	405,135
Trade creditors	212,015	565,605
Corporation tax	-	56,230
Other taxation and social security	594,534	413,630
Other creditors	34,752	29,448
Accruals	152,596	148,378
Deferred income	<u>453,553</u>	<u>114,792</u>
	<u>3,082,226</u>	<u>1,733,218</u>

Other creditors include £24,167 (31 March 2020: £19,564) of outstanding pension contributions.

The company receives funds from clients to settle their payroll liabilities. These amounts are kept in separate bank accounts which are under the control of the company but do not form part of these financial statements. At 30 November 2020 the amount of cash held in these accounts on behalf of clients was £26,247,120 (31 March 2020: £27,779,190).

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

12. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

	30 November 2020 £	31 March 2020 £
Bank loans	-	1,351,577

The bank loans of the company were repaid in full and were funded by the introduction of funds by its new ultimate holding company.

13. BORROWINGS

	30 November 2020 £	31 March 2020 £
Bank loans:		
Amounts due in less than one year	1,634,776	405,135
Amounts due in more than one year	-	1,351,577
	<u>1,634,776</u>	<u>1,756,712</u>

Bank loans are denominated in pounds sterling with interest rates of LIBOR plus margin of between 3.50% and 3.75%. The carrying amount at the period end of £1,634,776 (31 March 2020: £1,756,512) is after deducting £38,403 (31 March 2020: £53,513) of costs associated with the raising of this finance which are being released to the statement of comprehensive income over the term of the debt. The total bank debt was £1,673,179 at 30 November 2020 (31 March 2020: £1,810,225).

The company made quarterly repayments of the principal borrowing facility and repaid the secondary facility by way of a single payment. The company paid accrued interest on all facilities quarterly.

All bank borrowings were secured by first priority against the assets of the Company.

The bank loans of the company were repaid in full and were funded by the introduction of funds by its new holding company on 10 December 2020.

14. PROVISION FOR LIABILITIES

Provision for deferred tax has been made as follows:

	30 November 2020 £	31 March 2020 £
Deferred tax liabilities	180,099	82,460

The major deferred tax liabilities and assets recognised by the Company are:

	30 November 2020 £	31 March 2020 £
Deferred tax liabilities		
Accelerated capital allowances	186,607	86,974
Other	(6,508)	(4,514)
Total	<u>180,099</u>	<u>82,460</u>

The deferred tax liability of £180,099 (31 March 2020: £82,460) is expected to reverse within in 12 months and relates to accelerated capital allowances and pension creditor.

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

14. PROVISION FOR LIABILITIES (continued)

The movement in deferred tax comprises:

	30 November 2020 £	31 March 2020 £
Opening deferred tax liability	82,460	68,761
Charged to profit or loss	<u>97,639</u>	<u>13,699</u>
Closing deferred tax liability	<u>180,099</u>	<u>82,460</u>

There was no unprovided deferred taxation at 30 November 2020 (31 March 2020: £nil).

15. SHARE CAPITAL

	Number	£
Authorised, allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

16. Reserves

Reserves of the Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

17. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	30 November 2020 £	31 March 2020 £
Amounts due:		
Within one year	130,291	142,424
Between two and five years	<u>207,365</u>	<u>294,166</u>
Total	<u>337,656</u>	<u>436,590</u>

18. RETIREMENT BENEFITS

The Company operates a defined contribution scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £88,966 (31 March 2020: £164,292). Contributions totalling £24,167 (31 March 2020: £19,564) were payable to the fund at the year end and are included in creditors.

19. RELATED PARTY TRANSACTIONS

During the period payments were made to Foundation Investment Partners Management LLP for management services with the total amount charged being £33,333 (31 March 2020: £62,500), at the period end £nil (31 March 2020: £15,000) was owed to this entity. The party is related by virtue of being owned by shareholders G A D Whittaker and K Willis.

STRICTLY EDUCATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the 8 month period ended 30 November 2020

20. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

Prior to December 10th 2020, the directors consider the ultimate controlling party to be Foundation Investment Partners 1 (GP) LLP, a limited liability partnership incorporated in the United Kingdom.

As of December 10th 2020, Arthur Topco Limited is regarded by the directors as being the company's ultimate parent company.

Education Services Solutions Limited, whose registered address is 99 Bridge Road East, Welwyn Garden City, Hertfordshire, AL7 1GL, is the immediate parent, and is the smallest and largest company for which consolidated accounts including Strictly Education Limited are prepared.