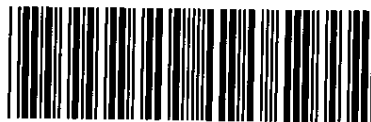


REGISTERED NUMBER: 05107810 (England and Wales)

Strictly Education Limited
Strategic Report, Directors' Report and
Financial Statements for the Year Ended 30th November 2021

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Strictly Education Limited

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Strictly Education Limited

Company Information for the Year Ended 30th November 2021

DIRECTORS:

Liam Donnison
Jonathan Roback
Douglas Glenday

REGISTERED OFFICE:

Wallace House
4 Falcon Way
Welwyn Garden City
United Kingdom
AL7 1TW

REGISTERED NUMBER:

05107810 (England and Wales)

Strictly Education Limited

Strategic Report for the Year Ended 30th November 2021

The directors present their strategic report for the year ended 30th November 2021.

REVIEW OF BUSINESS

The results for the year and financial position at the year end are shown in these financial statements.

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

There has been a slight decline in sales in the year to 30th November 2021. Turnover for the year was £8.3 million (8 months to 30th Nov 2020: £5.7 million) and the company made an operating loss of £0.8 million (2020: profit of £0.3 million). Included in Administrative Expenses is a one-off cost of £790,000 in relation to the sale of the Strictly Education Group to Supporting Education Group Limited.

During the year the company continued to invest significantly in the development of a new technology platform to deliver market-leading solutions to payroll and HR clients. This has been partly rolled out over the course of 2021 and the software is expected to be fully live by the autumn of 2022.

Throughout the pandemic the adaptability and innovation shown has ensured a continuation of services, with little impact from COVID-19.

During 2021 the company continued to note the education policy and funding commitments made by the government, which underpin the company's view of an ongoing favourable landscape for demand for its services from education settings in England and Wales.

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

The UK Government have continued to stress the importance of education and increased funding for schools during 2021 and into 2022. However, this is on the backdrop of rising inflation affecting all services. The directors are continually looking to broaden the offering to schools to remain competitive.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company is part of the Hood Topco Limited group (the "Group"). The Company has net assets of £2.6 million (2020: £3.3 million), net current assets of £0.5 million (2020: £2.0 million), and made a loss for the year amounting to £0.7 million (2020: profit of £76,000).

Strictly Education Limited

Strategic Report for the Year Ended 30th November 2021

GOING CONCERN - continued

The COVID-19 effects on the Company have continued to reduce as we look to exit the pandemic fully. Trading performance in financial year 2021/ 2022 to date is strong with volumes back to pre-COVID-19 levels and the business is generating positive cashflows. In order to complete the going concern assessment, the Directors have prepared a cash flow forecast for the period up to 31st May 2023 taking into account plausible and extreme downside scenarios on the operations and financial resources of the Group. The conclusion of this is that the Group will have sufficient funds to meet its liabilities as they fall due during that period.

Hood Topco Limited (ultimate parent) has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the 12 months from the date of signing these financial statements by meeting its liabilities as they fall due for payment.

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

BY ORDER OF THE BOARD:



.....
Douglas Glenday - Director

Date: 15 August 2022

Strictly Education Limited

Directors' Report for the Year Ended 30th November 2021

The directors present their report with the financial statements of the company for the year ended 30th November 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of support services to schools.

DIVIDENDS

No dividends will be distributed for the year ended 30th November 2021.

FUTURE DEVELOPMENTS

The directors are looking to ensure the company builds upon growth achieved over recent years. This will be achieved organically within the organisation.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 1st December 2020 to the date of this report are as follows:

John Bowman - appointed 10th December 2020
Liam Donnison - appointed 10th December 2020
Jonathan Roback - appointed 10th December 2020
Richard Moore - resigned 10th December 2020
Stuart Collard - resigned 10th December 2020

Douglas Glenday was appointed as a director after 30th November 2021 but prior to the date of this report.

Amanda Fisher , Benjamin Dunn and John Bowman ceased to be directors after 30th November 2021 but prior to the date of this report.

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

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.

POLITICAL DONATIONS AND EXPENDITURE

The company made no political donations or incurred any political expenditure during the year (2020: £nil).

Strictly Education Limited

Directors' Report for the Year Ended 30th November 2021

ENGAGEMENT WITH EMPLOYEES

It is the company's policy to communicate with and involve employees on matters affecting their interests at work, and inform them of the performance of the business. It is also the company's policy to treat all employees and potential employees equally and to give full consideration to suitable applications for employment from disabled persons, where they have the necessary abilities and skills for the position, and wherever possible to re-train employees who become disabled, so that they can continue their employment in another position.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

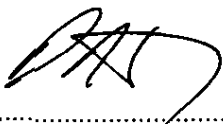
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD:



.....
Douglas Glenday - Director

Date: 15 August 2022

Strictly Education Limited

Statement of Comprehensive Income for the Year Ended 30th November 2021

		Year Ended 30/11/21 £'000	Period 1/4/20 to 30/11/20 £'000
	Notes		
TURNOVER		8,297	5,693
Cost of sales		(6,950)	(4,725)
GROSS PROFIT		1,347	968
Administrative expenses		(2,161)	(755)
		(814)	213
Other operating income	3	12	43
OPERATING (LOSS)/PROFIT	6	(802)	256
Interest payable and similar expenses	8	-	(72)
(LOSS)/PROFIT BEFORE TAXATION		(802)	184
Tax on (loss)/profit	9	89	(108)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(713)	76
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(713)	76

The notes form part of these financial statements

Strictly Education Limited (Registered number: 05107810)

Balance Sheet

30th November 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	10	1,986	1,155
Tangible assets	11	<u>77</u>	<u>79</u>
		<u>2,063</u>	<u>1,234</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	917	949
Debtors: amounts falling due after more than one year	12	3,817	3,791
Cash at bank	13	<u>26,062</u>	<u>26,809</u>
		30,796	31,549
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>(30,299)</u>	<u>(29,510)</u>
NET CURRENT ASSETS		<u>497</u>	<u>2,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,560</u>	<u>3,273</u>
CAPITAL AND RESERVES			
Called up share capital	18	1	1
Retained earnings		<u>2,559</u>	<u>3,272</u>
SHAREHOLDERS' FUNDS		<u>2,560</u>	<u>3,273</u>

The notes form part of these financial statements

Strictly Education Limited (Registered number: 05107810)

Balance Sheet - continued
30th November 2021

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30th November 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30th November 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue

on 15 August 2022 and were signed on its behalf by:



.....
Douglas Glenday - Director

The notes form part of these financial statements

Strictly Education Limited

Statement of Changes in Equity for the Year Ended 30th November 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1st April 2020	1	3,196	3,197
Changes in equity			
Profit for the period	-	76	76
Total comprehensive income	-	76	76
Total transactions with owners, recognised directly in equity	-	-	-
Balance at 30th November 2020	1	3,272	3,273
Changes in equity			
Deficit for the year	-	(713)	(713)
Total comprehensive income	-	(713)	(713)
Total transactions with owners, recognised directly in equity	-	-	-
Balance at 30th November 2021	1	2,559	2,560

The notes form part of these financial statements

Strictly Education Limited

Notes to the Financial Statements for the Year Ended 30th November 2021

1. STATUTORY INFORMATION

Strictly Education Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 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 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

There are no judgments made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business, is being amortised evenly over its estimated useful life of ten years.

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of four years.

Computer software is being amortised evenly over its estimated useful life of four years.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the *estimated useful lives of each part of an item of tangible fixed assets*. The estimated useful lives are as follows:

Computer equipment	3 to 4 years
Fixtures, fittings and equipment	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Government grants

In response to COVID-19, the UK government announced a number of initiatives for businesses to assist with cashflow. The company has received the following financial assistance during the current and prior year.

Coronavirus Job Retention Scheme

These grants are received after the costs have been incurred, in line with Section 24 of FRS 102, these amounts have been recognised based on the accrual model and measured at the fair value of the receivable. The revenue is recognised in the profit and loss and the company has reported this as Other Income. Please see Note 3.

Financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

2. ACCOUNTING POLICIES - continued

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be *recognised through the unwinding of the discount*. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

An impairment loss recognised on goodwill is not reversed. An impairment loss recognised for other assets is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Profit and loss

The profit for the current and preceding period is derived from continuing activities.

There is no difference between the historical cost profit and loss and that presented in the statement of comprehensive income.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

2. ACCOUNTING POLICIES - continued

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

3. OTHER OPERATING INCOME

In the year ended 30 November 2021, Government grants of £12,000 (2020: £43,000) were received under the Coronavirus Job Retention Scheme as part of a Government initiative to provide immediate support as a result of the COVID-19 pandemic to the company for 80% of the wages of some employees who were placed on furlough but who were kept on the payroll.

The costs associated to the furlough scheme are reported in Cost of Sales.

4. EMPLOYEES AND DIRECTORS

	Year Ended 30/11/21 £'000	Period 1/4/20 to 30/11/20 £'000
Wages and salaries	3,796	3,168
Social security costs	487	308
Other pension costs	139	89
	<u>4,422</u>	<u>3,565</u>

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

	Year Ended 30/11/21	Period 1/4/20 to 30/11/20
Sales, customer support and development	109	160
Administration	16	16
	<u>125</u>	<u>176</u>

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

5. DIRECTORS' EMOLUMENTS

	2021	2020
	£'000	£'000
Directors' remuneration	<u>169</u>	<u>319</u>

Directors' emoluments in respect of services to the company for the year to 30th November 2021 were borne by Supporting Education Group Limited, the notional allocation of their cost to the Company amounted to £36,000, these are not included in the total above.

Directors' emoluments in respect of services to the company for the year to 30th November 2021 were borne by Arthur Topco Limited, the notional allocation of their cost to the Company amounted to £20,000, these are not included in the total above.

Directors' emoluments in respect of services to the company for the year to 30th November 2021 were borne by Teaching Personnel Limited, the notional allocation of their cost to the Company amounted to £283,000, these are not included in the total above.

Directors' emoluments in respect of services to the company for the year to 30th November 2021 of £17,000 were borne by Hood Bidco Limited, these are included in the total above. These costs have been recharged to the company by way of a management services charge which is recognised within the administration expenses line of the profit and loss account in the current year.

The aggregate emoluments of the highest paid director for services to the company were £314,000 (2020: £133,000), no pension contributions (2020: £5,000) were made on behalf of this director.

There were no directors in respect of whose services shares were received or receivable under long term incentive schemes (2020: nil).

In the prior period, directors' emoluments totalling £104,000 were borne on behalf of other group companies.

6. OPERATING (LOSS)/PROFIT

The operating loss (2020 - operating profit) is stated after charging:

	Year Ended	Period
	30/11/21	1/4/20
	£'000	to
		30/11/20
		£'000
Other operating leases	134	97
Depreciation - owned assets	43	32
Goodwill amortisation	33	25
Development costs amortisation	358	96
Computer software amortisation	<u>49</u>	<u>37</u>

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

7. AUDITORS' REMUNERATION

	Year Ended 30/11/21 £'000	Period 1/4/20 to 30/11/20 £'000
Fees payable to the company's auditors for the audit of the company's financial statements	<u>-</u>	<u>15</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 30/11/21 £'000	Period 1/4/20 to 30/11/20 £'000
Bank loan interest	-	50
Amortisation of capitalised loan costs	<u>-</u>	<u>22</u>
	<u>-</u>	<u>72</u>

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	Year Ended 30/11/21 £'000	Period 1/4/20 to 30/11/20 £'000
Current tax:		
Tax on results for the period	(73)	-
Adjustments in respect of prior periods	<u>(2)</u>	<u>10</u>
Total current tax	<u>(75)</u>	<u>10</u>
Deferred tax:		
Deferred tax origination and reversal of timing differences	(51)	98
Deferred tax adjustment in respect of previous periods	(3)	-
Effect of tax rate changes	<u>40</u>	<u>-</u>
Total deferred tax	<u>(14)</u>	<u>98</u>
Tax on (loss)/profit	<u>(89)</u>	<u>108</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

9. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.
The difference is explained below:

	Year Ended 30/11/21 £'000	Period 1/4/20 to 30/11/20 £'000
(Loss)/profit before tax	<u>(802)</u>	<u>184</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(152)	35
Effects of:		
Expenses not deductible for tax purposes	7	1
Depreciation in excess of capital allowances	-	2
Adjustments to tax charge in respect of previous periods	(5)	10
Transfer pricing adjustments	21	-
Effect of tax rate changes	40	-
Group relief surrendered	73	60
Payment for group relief	<u>(73)</u>	<u>-</u>
Total tax (credit)/charge	<u>(89)</u>	<u>108</u>

The main rate of corporation tax for the current financial year is 19%. It was announced in the UK Government's Budget on 3rd March 2021 that the main UK corporation tax rate will increase to 25% from 1st April 2023.

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

10. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Development costs £'000	Computer software £'000	Totals £'000
COST				
At 1st December 2020	546	1,364	418	2,328
Additions	<u>-</u>	<u>1,264</u>	<u>7</u>	<u>1,271</u>
At 30th November 2021	<u>546</u>	<u>2,628</u>	<u>425</u>	<u>3,599</u>
AMORTISATION				
At 1st December 2020	476	388	309	1,173
Amortisation for year	<u>33</u>	<u>358</u>	<u>49</u>	<u>440</u>
At 30th November 2021	<u>509</u>	<u>746</u>	<u>358</u>	<u>1,613</u>
NET BOOK VALUE				
At 30th November 2021	<u>37</u>	<u>1,882</u>	<u>67</u>	<u>1,986</u>
At 30th November 2020	<u>70</u>	<u>976</u>	<u>109</u>	<u>1,155</u>

11. TANGIBLE FIXED ASSETS

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1st December 2020	116	247	250	613
Additions	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>
At 30th November 2021	<u>116</u>	<u>247</u>	<u>291</u>	<u>654</u>
DEPRECIATION				
At 1st December 2020	102	244	188	534
Charge for year	<u>5</u>	<u>2</u>	<u>36</u>	<u>43</u>
At 30th November 2021	<u>107</u>	<u>246</u>	<u>224</u>	<u>577</u>
NET BOOK VALUE				
At 30th November 2021	<u>9</u>	<u>1</u>	<u>67</u>	<u>77</u>
At 30th November 2020	<u>14</u>	<u>3</u>	<u>62</u>	<u>79</u>

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

12. DEBTORS	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	675	426
Amounts owed by group undertakings	-	123
Other debtors	11	42
Tax	-	8
Prepayments and accrued income	<u>231</u>	<u>350</u>
	<u>917</u>	<u>949</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>3,817</u>	<u>3,791</u>
Aggregate amounts	<u>4,734</u>	<u>4,740</u>
13. CASH AT BANK	2021	2020
	£'000	£'000
Cash at bank and in hand	204	562
Cash held on behalf of clients	<u>25,858</u>	<u>26,247</u>
	<u>26,062</u>	<u>26,809</u>
At 30th November 2021, cash held to settle client payroll liabilities amounted to £25.9m, a corresponding liability is included in Other Creditors (see note 14).		
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£'000	£'000
Bank loans and overdrafts (see note 15)	-	1,635
Trade creditors	407	212
Amounts owed to group undertakings	2,337	-
Deferred tax liability	166	180
Social security and other taxes	358	595
Other creditors	25,903	26,282
Accruals and deferred income	<u>1,128</u>	<u>606</u>
	<u>30,299</u>	<u>29,510</u>

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

15. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank loans	-	1,673
Capitalised loan fees	<u>-</u>	<u>(38)</u>
	<u>-</u>	<u>1,635</u>

The bank loans of the company were repaid in full on 10th December 2020.

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£'000	£'000
Within one year	140	130
Between one and five years	<u>117</u>	<u>207</u>
	<u>257</u>	<u>337</u>

17. DEFERRED TAX LIABILITY

	2021	2020
	£'000	£'000
At the beginning of the year	180	82
Adjustment in respect of prior years (Credit) / charge for the year (see note 9)	(3)	-
	<u>(11)</u>	<u>98</u>
At the end of year	<u>166</u>	<u>180</u>

The elements of deferred taxation are as follows:

	2021	2020
	£'000	£'000
Difference between accumulated depreciation and amortisation capital allowances	176	187
Other timing differences	<u>(10)</u>	<u>(7)</u>
Deferred tax liability (see note 14)	<u>166</u>	<u>180</u>

Strictly Education Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2021

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£'000	£'000
1,000	Ordinary shares of £1 each	1.00	<u>1</u>	<u>1</u>

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.

19. ULTIMATE PARENT COMPANY

Hood Topco Limited is regarded by the directors as being the company's ultimate parent company.

The company is a subsidiary undertaking of Education Services Solutions Limited, incorporated in the UK. The ultimate parent company is Hood Topco Limited for which there is no ultimate controlling party.

The largest group and smallest group in which the results of the company are consolidated is that headed by Arthur Topco Limited, incorporated in the UK. The consolidated accounts of Arthur Topco Limited are available to the public and may be obtained from Company Secretary, Arthur Topco Limited, Wallace House, 4 Falcon Way, Welwyn Garden City, Hertfordshire, AL7 1TW.

20. CONTINGENT LIABILITIES

The company is co-guarantor, along with other companies in the group for the payment or repayment of money, whether present or future, actual or contingent, joint or several including principal, interest, commission, fees, other charges and overdrafts to certain providers of finance. The net amount outstanding in the group for which the company is co-guarantor as at 30 November 2021 was £93,943,000 (2020: nil).

21. CAPITAL COMMITMENTS

	2021	2020
	£'000	£'000
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

22. RELATED PARTY DISCLOSURES

There have been no related party transactions during the current year. During the prior period, payments were made to Foundation Investment Partners Management LLP for management services with the total amount charged being £33,333, there were no outstanding balances at the period end. The party was related by virtue of being owned by previous shareholders G A D Whittaker and K Willis.

23. SUBSEQUENT EVENTS

There are no material events occurring after 30th November 2021 to disclose.