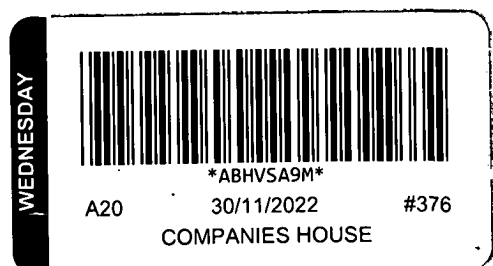


Registered number: 04513692

PARENTPAY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021



PARENTPAY LIMITED

COMPANY INFORMATION

Directors	C A Wilson E A C Neubauer N J C Govett N J Howard M N Jones L J Alcraft
Company secretary	M D Thomas
Registered number	04513692
Registered office	Flat 11 Kingsley Lodge 13 New Cavendish Street London W1G 9UG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 6th Floor 3 Callaghan Square Cardiff CF10 5BT

PARENTPAY LIMITED

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PARENTPAY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2021

Introduction

The directors present their Strategic Report for the Company for the year ended 30 November 2021.

Business review

ParentPay Limited, which includes the Schoolcomms parental engagement and messaging business and the Cypad meal and kitchen management business, despite being affected by pandemic related school closures, continued to sign new customers and grow revenues albeit at a lower rate than in FY2020 when the pandemic boosted sales as schools focused on removing cash from their operations.

ParentPay Limited's payment and messaging revenues remained impacted by the Covid- 19 pandemic, with transaction-based revenues materially reduced as a result of government mandated school closures and restrictions. However, toward the end of the financial year, transaction revenues improved markedly and by the end of Q1 2022 had exceeded pre-pandemic levels.

During the year non transaction revenues performed in line with expectations with further growth recorded in the company's payment and meal management customer numbers.

On 31 December 2021 ParentPay Limited acquired BlueRunner Solutions Limited, a company incorporated in England and Wales specialising in the provision of cashless catering and meal management solutions for schools and corporates. The acquisition, which is expected to cement the Group's leading position in the school catering services market, is subject to a 12-month earn out.

At the year end, the company had over 14,650 school customers for its payment and messaging services, a number that has continued to increase during FY2022. Churn rates amongst the company's payment customers continue to remain very low by industry standards, with the bulk of churn arising from schools switching to management information system providers who offer a payments service. The directors note that these providers have limited experience in the provision of payment services, lack tried and tested integrations with third party cashless systems and appear to devote limited resources to the development of their payment products: accordingly they are the company's largest source of returning customers.

Financial key performance indicators

Company turnover in the year to 30 November 2021 was £25.9m (2020: £25.0m), 3.6% higher than in the previous financial year, reflecting the impact of the pandemic.

Earnings before tax excluding exceptional administrative expenses grew by 17.4% from £8.6m in FY2020 to £10.1m in the year to 30 November 2021 and EBITDA excluding exceptional administrative expenses increased by 15.5% in the year to 30 November 2021 to £12.7m (2020: £11.0m).

The Company's Net Assets increased from £34.3m in FY2020 to £39.1m in the year to 30 November 2021. The Net Assets include goodwill relating to acquisitions in the UK of £Nil in the year to 30 November 2021 (2020: £8.9m).

Other performance indicators

There are no other performance indicators the directors wish to disclose.

PARENTPAY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Principal risks and uncertainties

Service availability & data breaches

ParentPay and Schoolcomms' payment and communication services are mission critical for large numbers of schools and parents throughout the UK. Cypad's and Bluerunner's kitchen management and meal ordering services are equally important to school catering operations. If any of these services were unavailable for an extended period or our systems suffered a security breach, the impact on our reputation and our business would be material.

To minimise these risks the business continues to invest in its infrastructure, systems and software, has a dedicated security team, and in its payments business is accredited to PCI DSS Level 1. System uptime averaged more than 99.7% during 2021, with average customer satisfaction amongst user of ParentPay Limited's service well above our target of 92%.

Financial risk management objectives and policies

Financial risk management is carried out by a central team.

Interest rate risk

Risk arises from changes in interest rates which could cause variation in interest income and expense. This is currently managed with both asset and liability positions subject to variable rates, with liability positions weighted towards amortising balances.

Credit risk

Exposure to credit risk is influenced mainly by the characteristics of each customer. A risk control process evaluates the credit quality of customer groups and limits are individually established which are subsequently managed by a credit control team.

Liquidity risk

Liquidity risk is managed with the use of working capital instruments to establish a balance between cost and flexibility.

PARENTPAY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Statement surrounding Section 172 of the UK Companies Act 2006

The board of directors consider both individually and collectively that they have acted in a way that they consider would be most likely to promote the success of the Company for the benefit of its members and stakeholders as a whole in decisions taken during the year ended 30 November 2021 in line with the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The governance structure of the Company enables compliance with the requirements of transparency, equity, accountability, and corporate responsibility. In particular:

- Our business plan is designed to have a long term beneficial impact on the Company and contribute to its success in delivering continued service and innovation to our customers. It supports our intention to continue to develop as a strong and secure business and to provide security for our customers, suppliers and employees.
- Our employees are fundamental to our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our employees is one of our primary considerations.
- We aim to continue to engage with and to further develop strong relationships with our customers and suppliers and to continue to enhance our understanding of their views and priorities.
- As a board of directors, our intention is to behave responsibly and ensure that our leadership team operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours.

Other developments

To date, the Company have not observed any long-term material impact on our activities due to Covid-19, indeed, the Company have continued to trade profitably and have been successful in winning new opportunities which are already operational.

The directors have considered the impact of the pandemic on the ability of the Company to continue as a going concern. Further detail of the director's considerations is detailed in note 2.3.

This report was approved by the board on 30 November 2022 and signed on its behalf.

Jerry Govett

N J C Govett
Director

PARENTPAY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2021**

The directors present their report and the financial statements for the year ended 30 November 2021.

Results and dividends

The profit for the year, after taxation, amounted to £5,689,992 (2020 - £6,855,493).

The Company paid a dividend of £900,000 (2020: £800,000) during the year.

Directors

The directors who served during the period and up to the date of the financial statements were:

C A Wilson
E A C Neubauer
N J C Govett
N J Howard
D Burgess (resigned 30 September 2022)
M N Jones
M R Brant (resigned 12 October 2022)
L J Alcraft (appointed 12 October 2022)

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

PARENTPAY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

Future developments

We expect earnings in ParentPay Limited to continue to grow strongly for the foreseeable future as a result of low churn rates; increasing annual spend per customer; a strong pipeline of new sales opportunities; continued prudent cost control; and mergers and acquisition activity.

Research and development activities

The Company engages in research and development activities by way of investment in its software platform. Costs capitalised in the current year in relation to the development of this platform are detailed in note 14 to the financial statements.

Employee involvement

The Company has a number of workforce engagement mechanisms in place. Employees are kept informed of performance and strategy through regular presentations and updates from members of the Board. The directors also attend key business meetings throughout the year.

Disabled employees

The Company seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities. The Group's policies and procedures fully support our disabled colleagues. The Company take active measures to do so via a robust reasonable adjustment policy and processes to ensure colleagues are fully supported.

Qualifying third party indemnity provisions

Director's and Officer's insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2002, were in force during the 2021 financial year and remain in force for all current and past directors of the Company.

PARENTPAY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Streamlined Energy and Carbon Reporting (SECR) Report
UK Energy use and GBG Emissions

The tables below detail the energy used by the Company in their business activities involving the purchase of electricity and business mileage in both kWh and tCO₂e

Year ended 30 November 2021

Type of activity	Energy Usage	Measurement usage	GHG Emissions	Measurement Unit
Grid electricity	191,096	kWh	41	tCO ₂ e
Fuel reimbursed	30,597	kWh	11	tCO ₂ e
Total	221,692	kWh	55	tCO₂e

Year ended 30 November 2020

Type of activity	Energy Usage	Measurement usage	GHG Emissions	Measurement Unit
Grid electricity	145,897	kWh	37	tCO ₂ e
Fuel reimbursed	89,177	kWh	29	tCO ₂ e
Total	266,412	kWh	66	tCO₂e

Intensity ratio

To convert absolute emission to emissions intensity metric, the Company has cancelled emissions per a relevant unit of measure.

An intensity ratio is a way of defining the Company's emissions data in relation to an appropriate business metric such as tonnes of CO₂e per sales revenue, or tonnes of CO₂e per full time equivalent staff member. This allows comparison of energy efficiency performance over time and with other similar types of organisations.

SECR Intensity ratios are calculated by dividing the Company's emissions by its organization-specific metric.

In the case of the Company the metric chosen to normalize its emissions is based on turnover and its intensity ratio is detailed below:

Year ended 30 November 2021

Normalising metric	Turnover	25.95M	
Intensity Ratio FY 2021		2.13	tCO ₂ e/£m

Year ended 30 November 2020

Normalising metric	Turnover	25.05M	
Intensity Ratio FY 2020		2.63	tCO ₂ /£m

Energy conversion factors taken from UK Government GHG Conversion Factors for Company Reporting.

PARENTPAY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2021**

Methodology

Data for this report has been provided from the following sources:

- Data from the Group's databases
- Data from suppliers invoices
- The GOV.UK GHG conversion figures for CO2e were used along with the fuel property figures to determine the kWh content for business mileage.

The Company's intensity ratio improved during 2021 through reduction in car travel during the Covid-19 pandemic. The Group and Company also continues to look at ways to improve its intensity ratio, through the use of more energy efficient office and transport resources.

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 on 30 November 2022 and signed on its behalf.


N J C Govett
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARENTPAY LIMITED

Opinion

We have audited the financial statements of Parentpay Limited (the 'Company') for the year ended 30 November 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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



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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

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

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

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.



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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of how the company is complying with significant legal and regulatory frameworks through inquiries of management;
- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Companies Act 2006, along with legislation relating to employment, health & safety, data protection and environmental issues, as those most likely to have a material effect if non-compliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the company's control environment;
 - the company's relevant controls over areas of significant risks; and
 - the company's business processes in respect of classes of transactions that are significant to the financial statements;
- Audit procedures performed by the engagement team included:
 - identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions, and
 - identifying and testing related party transactions;
- We obtained an understanding of how the company is complying with significant legal and regulatory frameworks through inquiries of management;



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

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
 - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
 - appropriate training, knowledge of the industry in which the company operates; and
 - understanding of the legal and regulatory requirements specific to the company.

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

Rhian Owen BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff

30 November 2022

PARENTPAY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	2021 £	2020 £
Turnover	4	25,950,018	25,048,258
Cost of sales		(4,183,609)	(3,850,069)
Gross profit		21,766,409	21,198,189
Administrative expenses		(14,902,969)	(12,842,477)
Exceptional administrative expenses	13	(3,536,656)	-
Other operating income	5	3,244,975	292,558
Operating profit	6	6,571,759	8,648,270
Interest receivable and similar income	10	3,406	78,615
Interest payable and similar expenses	11	(60,809)	(147,204)
Profit before tax		6,514,356	8,579,681
Tax on profit	12	(824,364)	(1,724,188)
Profit for the financial year		5,689,992	6,855,493

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 16 to 38 form part of these financial statements.

PARENTPAY LIMITED
REGISTERED NUMBER:04513692

BALANCE SHEET
AS AT 30 NOVEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	13,125,914	12,763,570
Tangible assets	15	1,865,171	1,078,588
Investments	16	1,240,234	1,240,234
		<u>16,231,319</u>	<u>15,082,392</u>
Current assets			
Debtors: amounts falling due within one year	17	29,350,726	29,225,235
Cash at bank and in hand	18	541,083	1,363,162
		<u>29,891,809</u>	<u>30,588,397</u>
Creditors: amounts falling due within one year	19	(5,597,906)	(10,838,147)
Net current assets		<u>24,293,903</u>	<u>19,750,250</u>
Total assets less current liabilities		<u>40,525,222</u>	<u>34,832,642</u>
Provisions for liabilities			
Deferred tax	20	(1,424,476)	(521,888)
		<u>(1,424,476)</u>	<u>(521,888)</u>
Net assets		<u><u>39,100,746</u></u>	<u><u>34,310,754</u></u>
Capital and reserves			
Called up share capital	21	78,446	78,446
Share premium account	22	177,173	177,173
Merger reserve	22	880,101	880,101
Profit and loss account	22	37,965,026	33,175,034
		<u>39,100,746</u>	<u>34,310,754</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2022.

Jerry Govett

N J C Govett
 Director

The notes on pages 16 to 38 form part of these financial statements.

PARENTPAY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2021**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 December 2020	78,446	177,173	880,101	33,175,034	34,310,754
Profit for the year	-	-	-	5,689,992	5,689,992
Dividends: Equity capital	-	-	-	(900,000)	(900,000)
At 30 November 2021	78,446	177,173	880,101	37,965,026	39,100,746

The notes on pages 16 to 38 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 December 2019	78,446	177,173	-	27,797,724	28,053,343
Profit for the year	-	-	-	6,855,493	6,855,493
Impact of Cypad Limited Hive up	-	-	880,101	(678,183)	201,918
Dividends: Equity capital	-	-	-	(800,000)	(800,000)
At 30 November 2020	78,446	177,173	880,101	33,175,034	34,310,754

The notes on pages 16 to 38 form part of these financial statements.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

1. General information

ParentPay Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Flat 11 Kingsley Lodge, 13 New Cavendish Street, London, W1G 9UG.

The principal activity of the Company is the provision of online payment services for schools and parents.

The financial statements are presented in Sterling, which is the functional currency of the Company. The financial statements have been rounded to the nearest £.

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).

There is currently a high level of macro-economic uncertainty due to Covid-19. The preparation of the financial statements requires the directors to make a number of estimates, including an assessment of the appropriateness of the going concern basis of preparation of the financial statements. This assessment includes a review of the future economic environment and the Company's future prospects and performance. Detail of the director's considerations is included in note 2.3.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of ParentPay (Holdings) Ltd as at 30 November 2021 and these financial statements may be obtained from 11 Kingsley Lodge, 13 New Cavendish Street, London, W1G 9UG.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, principal risks and uncertainties affecting the business are set out in the Strategic Report.

The uncertainty as to the future impact on the Company of the recent Covid-19 pandemic has been considered as part of the Company's adoption of the going concern basis.

During the year to 30 November 2021 the Company continued to have an impact from the Covid-19 pandemic on revenues. The effect was seen primarily in transaction based revenues but during the period the Company has continued to trade profitably and has been able to expand, successfully winning new opportunities within existing businesses.

The resilience of the business continues to be underpinned with a significant proportion of the Company's revenue generated by recurring annual fees with schools and caterers in the Education market. After an initial impact from the from the closure of schools and the associated reduction in school based expenditure, transaction related revenues have shown a marked recovery as schools returned to pre-pandemic norms. This recovery has continued during 2022.

During the year ended 30 November 2021, the Company generated a profit of £5,689,992 (2020: £6,855,493) and has net assets of £39,100,746 (2020: £34,310,754) at the year-end. The Company is part of the ParentPay (Holdings) Ltd group of companies (the "Group"). The Group is financed through a syndicated loan facility and the Group is profitable at an EBITDA level and cash generative from its operating activities.

The Group's sensitised forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is expected to be profitable at an EBITDA level and cash generative from its operating activities for the foreseeable future. The forecasts show the Group will be able to operate within the level of its lending facilities, and will have sufficient cash and covenant headroom for a period of at least 12 months from the approval date of these financial statements.

ParentPay (Holdings) Ltd, the ultimate parent company, has indicated that for at least 12 months from the approval of these financial statements it will continue to make available any funds as are needed by the Company, allowing it to meet any liabilities as they fall due.

Therefore accordingly, the directors have prepared these financial statements on a going concern basis.

2.4 Exemption from preparing consolidated financial statements

The Company is a wholly owned subsidiary of ParentPay Group Limited (formerly PP Newco 2 Limited), which is included in the consolidated financial statements of ParentPay (Holdings) Ltd, which are publicly available.

Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. The consolidated financial statements are prepared 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.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)**2.5 Revenue recognition**

Revenue from transaction service charges and similar services is recognised when the services are performed.

Fees in respect of related support and maintenance services are recognised over the life of the service agreement as the right to consideration is earned.

2.6 Intangible assets**Goodwill**

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

Other intangible assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Software development costs	-	9	years
Goodwill	-	10	years

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)**2.7 Tangible fixed assets**

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

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	-	20% straight line
Fixtures and fittings	-	20% straight line
Office equipment	-	20% straight line
Computer equipment	-	20-33% straight line
Assets under course of construction	-	not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

Client account balances held are not recognised as cash and cash equivalents on the Balance Sheet as the Company does not consider itself to have a beneficial interest in the assets. Accordingly, an equivalent client creditor has not been recognised.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)**2.11 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 financed at a rate of interest that is not a market rate 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.

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

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

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

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

2.12 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.

2.13 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 in the same period as the related expenditure.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.14 Finance costs

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

2.15 Dividends

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

2.16 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.17 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.19 Government grants

Government assistance received is recognised in the same period in which related expense occurred. Government grants are recognised gross of the related expenses as other operating income. Government grants received pertain to government assistance received to compensate business interruption due to the Covid-19 pandemic.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

2. Accounting policies (continued)

2.20 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

2.21 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet 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 Balance Sheet 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 Balance Sheet date.

2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

PARENTPAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.23 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

In the application of the Company's accounting policies, which are described in note 2, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The following are the critical judgements and key sources of estimation that management have made in the preparation of the financial statements:

Depreciation and amortisation

Management exercise judgement to determine useful lives and residual values of tangible and intangible assets. The assets are depreciated and amortised down to their residual values over their estimated useful lives. Where management consider the remaining useful life of the asset is no longer appropriate, they are amended.

Provision for bad debts

Management have considered the need for a provision against bad and doubtful debts. The provision is an estimate of the actual costs and timing of future cash flows, and is dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such a determination is made.

Capitalisation of development costs

Management demonstrate judgement in distinguishing the research and development phases of a new internally developed asset, and determining whether the recognition requirements of FRS 102 have been met. Following capitalisation, management monitor whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Impairment of goodwill and other non-current assets

Management assess at each reporting date whether there is any indication that an asset may be impaired, by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If management deem an impairment indicator to exist, an estimation of the recoverable amount of the asset is determined.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

4. Turnover

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

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
UK Coronavirus Job Retention Scheme	45,149	292,558
Dividend received	3,193,148	-
Commissions received	6,678	-
	<u>3,244,975</u>	<u>292,558</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation tangible fixed assets (note 15)	567,896	485,779
Amortisation of intangible assets, including goodwill (note 14)	2,026,733	1,912,973
	<u>2,594,629</u>	<u>2,400,752</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	40,000	35,300
	<u>40,000</u>	<u>35,300</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.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

8. Employees

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

	2021 £	2020 £
Wages and salaries	8,644,860	7,178,001
Social security costs	893,359	755,049
Cost of defined contribution scheme	294,908	248,829
	<u>9,833,127</u>	<u>8,181,879</u>

The above costs excludes £2,389,077 (2020: £1,077,335) capitalised as a software development asset.

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

	2021 No.	2020 No.
Employees	<u>252</u>	<u>221</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	371,566	360,906
Directors' pension costs	16,548	15,349
	<u>388,114</u>	<u>376,255</u>

During the year retirement benefits were accruing to 3 directors (2020: 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £169,583 (2020: £152,168).

The value of the Company's contribution to a defined contribution pension scheme in respect of the highest paid director amounted to £8,479 (2020: £7,750).

Directors' remuneration above includes two (2020: two) directors who are paid by ParentPay (Holdings) Ltd, however their costs are recharged to the Company. There is one (2020: one) director directly remunerated by the company and the remaining directors are remunerated by ultimate parent company ParentPay (Holdings) Ltd as part of their services to the group.

Four directors of the Company made gains on share options in the ultimate parent company of £6,330,575.

PARENTPAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**10. Interest receivable**

	2021 £	2020 £
Other interest receivable	3,406	78,615

11. Interest payable and similar expenses

	2021 £	2020 £
Bank loan interest payable	17,367	147,204
Other interest payable	43,442	-
	<u>60,809</u>	<u>147,204</u>

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	1,629,645
Adjustments in respect of previous periods	(78,224)	(16,962)
	<u>(78,224)</u>	<u>1,612,683</u>
Total current tax	<u>(78,224)</u>	<u>1,612,683</u>
Deferred tax		
Origination and reversal of timing differences	722,797	58,125
Effect of changes in tax rates	168,404	49,776
Adjustment in respect of previous periods	11,387	3,604
Total deferred tax	<u>902,588</u>	<u>111,505</u>
Taxation on profit on ordinary activities	<u>824,364</u>	<u>1,724,188</u>

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	6,514,356	8,579,681
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,237,728	1,630,139
Effects of:		
Expenses not deductible for tax purposes	675,818	272,500
Group income	(606,698)	(38,473)
Adjustments to tax charge in respect of prior periods	(66,837)	(13,358)
Remeasurement of deferred tax for changes in tax rate	341,874	49,776
Group relief surrendered/(claimed)	(835,689)	(176,396)
Fixed asset differences	82,125	-
Movement in deferred tax not recognised	(3,957)	-
Total tax charge for the year	824,364	1,724,188

Factors that may affect future tax charges

The standard rate of UK corporation tax currently is 19% and this took effect from 1 April 2017. Accordingly, this rate is applicable in the measurement of deferred tax assets and liabilities at 30 November 2021. Deferred tax had been provided at 19% being the rate at which temporary differences are expected to reverse.

The 2021 Spring Budget included an announcement to increase the standard rate of corporation tax rate from 19% to 25% from 1 April 2023. Since the proposal to increase was substantively enacted prior to the year end at the Statement of Financial Position date deferred tax was provided at 25% at 30 November 2021. The impact on the opening position disclosed in the prior year of restating the Deferred tax balance was a net £164,807 increase to the net liability position which has been recognised in the Statement of Comprehensive Income.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

13. Exceptional items

	2021 £	2020 £
Intergroup receivable impairment - Just Education Limited	1,021,161	-
Intergroup receivable impairment - Just Education Recruitment Limited	241,278	-
Intergroup receivable impairment - Nimbl Limited	2,274,217	-
	<u>3,536,656</u>	<u>-</u>

Intergroup receivable impairment

As at 30 November 2021 fellow ParentPay group companies Just Education Limited and Just Education Recruitment Limited ceased to trade. At cessation of the companies they had limited funds for distribution and hence to settle their liabilities to the Company. Therefore, the Company has provided for the intergroup balances with Just Education Limited and Just Education Recruitment Limited as at the year end, as they are not deemed to be recoverable.

As at 30 November 2021 intergroup receivables with fellow ParentPay group company Nimbl Limited was not considered fully recoverable. The Company has therefore provided for the balance.

PARENTPAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

14. Intangible assets

	Licences £	Software Development Costs £	Goodwill £	Total £
Cost				
At 1 December 2020	92,032	6,068,398	13,344,737	19,505,167
Additions	-	2,389,077	-	2,389,077
At 30 November 2021	92,032	8,457,475	13,344,737	21,894,244
Amortisation				
At 1 December 2020	66,903	2,270,604	4,404,090	6,741,597
Charge for the year	328	619,794	1,406,611	2,026,733
At 30 November 2021	67,231	2,890,398	5,810,701	8,768,330
Net book value				
At 30 November 2021	24,801	5,567,077	7,534,036	13,125,914
At 30 November 2020	25,129	3,797,794	8,940,647	12,763,570

Development costs include software development costs for the group's payment platform which was created through past and continued internal development. The asset is carried at £5,567,077 (2020: £3,797,794) and has a remaining amortisation period of 7.4 years (2020: 7.2 years). There are no other individually material intangible assets.

PARENTPAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 NOVEMBER 2021****15. Tangible fixed assets**

	Short-term leasehold premises £	Fixtures and fittings £	Office equipment £	Computer equipment £	Assets under course of construction £	Total £
Cost or valuation						
At 1 December 2020	189,437	279,564	26,111	2,154,150	-	2,649,262
Additions	12,419	21,639	8,404	990,228	336,094	1,368,784
Disposals	-	-	-	(135,584)	-	(135,584)
At 30 November 2021	201,856	301,203	34,515	3,008,794	336,094	3,882,462
Depreciation						
At 1 December 2020	144,217	164,486	23,362	1,238,609	-	1,570,674
Charge for the year on owned assets	25,099	38,161	2,727	501,909	-	567,896
Disposals	-	-	-	(121,279)	-	(121,279)
At 30 November 2021	169,316	202,647	26,089	1,619,239	-	2,017,291
Net book value						
At 30 November 2021	32,540	98,556	8,426	1,389,555	336,094	1,865,171
At 30 November 2020	45,220	115,078	2,749	915,541	-	1,078,588

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

16. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2020	1,240,234
At 30 November 2021	<u>1,240,234</u>
Net book value	
At 30 November 2021	<u>1,240,234</u>
At 30 November 2020	<u>1,240,234</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Cypad Limited	Ordinary	100%
Isuz Limited	Ordinary	100%

The registered office of subsidiaries is consistent with the Company.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

17. Debtors

	2021 £	2020 £
Trade debtors	2,143,822	2,284,939
Amounts owed by group undertakings	23,346,628	24,345,642
Other debtors	1,533,363	1,292,009
Prepayments and accrued income	2,326,913	1,302,645
	<u>29,350,726</u>	<u>29,225,235</u>

Trade debtors are stated after provisions of £14,135 (2020: £5,716).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	541,083	1,363,162
Less: bank overdrafts	(468,283)	-
	<u>72,800</u>	<u>1,363,162</u>

At the year end ParentPay Limited held client account balances totalling £26,218,770 (2020: £46,133,405). These balances have not been recognised as cash and cash equivalents in the Balance Sheet of ParentPay Limited as the Company does not consider itself to have a beneficial interest in these assets. Accordingly, an equivalent client creditor balance has not been presented.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	468,283	-
Trade creditors	319,741	557,089
Amounts owed to group undertakings	107,954	3,444,654
Corporation tax	1,591,420	3,634,309
Other taxation and social security	985,517	1,488,497
Other creditors	63,394	51,659
Accruals and deferred income	2,061,597	1,661,939
	<u>5,597,906</u>	<u>10,838,147</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Company holds the following outstanding charges with Lloyds Bank Plc:

Charge code 0451 3692 0003 dated 4 November 2020. Debenture deed containing a fixed and floating charge over the undertaking and all property and assets present and future. Fixed and floating charge includes goodwill, book debts, uncalled capital, buildings, fixtures, plant and machinery.

Charge code 0451 3692 0002 dated 20 January 2017. Omnibus guarantee & set off arrangement with ParentPay (Holdings) Ltd, Isuz Limited, Nimbl Limited and Just Education Limited, containing a fixed charge and negative pledge.

Debenture deed dated 16 May 2003, containing a fixed and floating charge over the undertaking and all property and assets present and future. Fixed and floating charge includes goodwill, book debts, uncalled capital, buildings, fixtures, plant and machinery.

On 22 December 2021, the above Charges and Debenture deed were satisfied.

On 23 December 2021, the following outstanding charge with Ares Management Limited was held:

Charge code 0451 3692 004 dated 23 December 2021. Debenture deed containing a fixed and floating charge over all land, property and assets present and future.

Fixed charge includes all material land, excluding restricted land, property, deposits, goodwill, uncalled share capital, book debts, pension funds and licences, consents and authorisations.

Floating charge includes all other assets, not included in the fixed charge.

The Debenture deed also includes a negative pledge.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

20. Deferred taxation

	2021 £	2020 £
At beginning of year	(521,888)	(419,494)
Charged to the profit or loss	(891,201)	(107,902)
Movement arising from hive up of trade and assets (Cypad Limited)	-	9,112
Adjustment in respect of prior years	(11,387)	(3,604)
At end of year	(1,424,476)	(521,888)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(1,431,005)	(521,888)
Short term timing differences	6,529	-

21. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
78,446 (2020 - 78,446) Ordinary A shares of £1 each	78,446	78,446

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

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

22. Reserves**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount of the nominal value.

Merger Reserve

On 1 December 2019, the whole trade and assets of Cypad Limited were hived up into the Company. This reserve was created on hive up and represents the residual balance after considering the resulting Goodwill assumed against the remaining fixed asset investment balance.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

23. Dividends

	2021 £	2020 £
Dividends	<u>900,000</u>	<u>800,000</u>

24. Capital commitments

As November 2021 the Company had no capital commitments (2020: £Nil).

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £294,908 (2020: £248,829). Contributions totalling £51,614 (2020: £40,618) were payable to the fund at the Balance Sheet date.

26. Commitments under operating leases

At 30 November 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	261,241	386,705
Later than 1 year and not later than 5 years	633,128	1,015,518
	<u>894,369</u>	<u>1,402,223</u>

PARENTPAY LIMITED

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27. Related party transactions

Transactions with directors and key management personnel

Director loans

On 9 August 2021, amounts owed by directors of £235,840 were repaid (2020: £nil). Interest of £3,349 (2020: £5,323) was charged based on official HMRC interest rates for beneficial loan arrangements.

Key management personnel

Key management personnel of the company are considered to be the Board, excluding directors. Key management personnel remuneration for the year was as follows:

	2021	2020
	£	£
Salaries and short-term benefits	778,418	635,873
Defined contribution pension contributions	30,738	25,844
Share option gains in ultimate parent company	1,276,277	-

During the year, the directors also received occasion-based gifts from the company totalling £443 (2020: £nil).

Transaction with Group companies

The company has taken advantage of the exemption allowed under section 33 of FRS 102 from disclosing transactions with 100% owned subsidiary companies.

Ultimate parent company

ParentPay (Holdings) Limited

During the year, the company received support & centralised services from ParentPay (Holdings) Limited of £935,135 (2020: £799,603) and was charged interest of £17,368 (2020: £55,652) at 2% above the Bank of England base rate on part of the intercompany loan.

The company settled liabilities on ParentPay (Holdings) Limited's behalf of £33,293 (2020: £28,936), and paid dividends of £900,000 (2020: £800,000) to ParentPay (Holdings) Limited.

At the year end £23,258,482 (2020: £21,278,176) was due from ParentPay (Holdings) Limited included within Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Associated companies within the ultimate parent company group

Nimbl Limited

During the year, the company provided support and centralised services to Nimbl Limited of £354,327 (2020: £446,741) and settled liabilities on behalf of Nimbl Limited of £26,625 (2020: £19,253). The company sold tangible fixed assets of £3,582 (2020: £nil) to Nimbl Limited.

At the year end £2,274,217 (2020: £2,064,835) was due from Nimbl Limited and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Just Education Limited

During the year, the company provided support and centralised services to Just Education Limited of £2,731 (2020: received £3,068) and settled liabilities on behalf of Just Education Limited of £18,432 (2020: £17,086).

PARENTPAY LIMITED

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27. Related party transactions (continued)

Due to Just Education Limited ceasing to trade on 30 November 2021, the company purchased tangible fixed assets of £3,564 (2020: £nil) and Group debtors of £1,021,161 were impaired.

At the year end £nil (2020: £809,065) was due from Just Education Limited and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Just Education Recruitment Limited

During the year, the company settled liabilities on behalf of Just Education Recruitment Limited of £2,494 (2020: £2,593).

Due to Just Education Recruitment Limited ceasing to trade on 30 November 2021, Group debtors of £241,278 were impaired.

At the year end £nil (2020: £146,284) was due from Just Education Recruitment Limited and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

WIS Services B.V.

During the year, the company provided support and centralised services to WIS Services B.V. of £3,750 (2020: £47,281).

At the year end £51,031 (2020: £47,281) was due from WIS Services B.V. and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Pair Solutions GmbH

During the year, the company provided support and centralised services to Pair Solutions GmbH of £2,512 (2020: £nil).

At the year end £2,512 (2020: £nil) was due from Pair Solutions GmbH and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

EDV – Service Schaupp GmbH

During the year, the company provided support and centralised services to EDV – Service Schaupp GmbH of £32,090 (2020: £nil).

At the year end £32,090 (2020: £nil) was due from EDV – Service Schaupp GmbH and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

MensaMax GmbH

During the year, the company provided support and centralised services to MensaMax GmbH of £2,513 (2020: £nil).

At the year end £2,513 (2020: £nil) was due from MensaMax GmbH and outstanding in Group debtors. The debtor is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Education Software Solutions Limited

At the year end, the company owed Education Software Solutions Limited for accrued charges of £70,097 (2020: £nil) in relation to system integration costs between the company's payment platform and the Education Software Solutions Limited's management information system.

PARENTPAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

28. Post balance sheet events

On 31 December 2021, the Company acquired 100% of the issued share capital of BlueRunner Solutions Limited, a company incorporated in England and Wales specialising in the provision of cashless catering and meal management solutions for schools and corporates. The acquisition, which is expected to cement the Company's leading position in the school catering services market, is subject to a 12-month earn out.

29. Controlling party

For the period to 5 August 2021 the immediate and ultimate parent company was ParentPay (Holdings) Limited. The registered office of ParentPay (Holdings) Limited is 11 Kingsley Lodge, 13 New Cavendish Street, London, W1G 9UG.

Following the merger of Tiger UK Midco Limited into the ParentPay Group, completed on 6 August 2021, the immediate parent company became ParentPay Group Limited (formerly PP Newco 2 Limited). The ultimate company remain unchanged and is ParentPay (Holdings) Limited.

For the financial year ended 30 November 2021 Consolidated financial statements for ParentPay (Holdings) Limited, were the largest and smallest group for which consolidated financial statements were prepared, are available from Companies House.