Registered No. 08268303

The Key Support Services Limited

Annual Report and Financial Statements

31 August 2020

Directors

D Allen
J Armitage
Lord Bichard (Resigned 31 March 2021)
V Dewhurst (Resigned 31 March 2021)
R A Harley (Resigned 31 March 2021)
S Hernandez
R Jewell (Resigned 30 October 2020)
C Kenyon (Appointed 11 December 2019)
P Osborne (Resigned 30 October 2020)
S F Tubb
S Vardigans (Resigned 31 March 2021)

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

Registered Office

3rd Floor
70 White Lion Street
London
England
N1 9PP

Strategic report

The directors present their strategic report and the financial statements for the year ended 31 August 2020.

Basis of preparation

The group and company financial statements of The Key Support Services Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS102") and the Companies Act 2006 under the provisions of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

Principal activity and review of the business

The principal activity of the group during the year was the provision of knowledge and digital tools used by over 120,000 senior leaders in the school system of the United Kingdom.

The directors consider the results for the year and the position of the group at the year-end to be satisfactory. The group will continue to invest in product enhancements and new products to increase the value of its offering for its customers. We are confident that for the foreseeable future we will generate sufficient profits to finance our investment plans.

These results are the product of the intelligent, and agile thinking of our team, who apply themselves with vigour to the job at hand, and the relationships we have with our customers, whose engagement and feedback is the source of our motivation. Thanks are due to both groups.

2020 was a very eventful year for schools and for our business. After a calm first half the world changed as COVID-19 spread around the globe. In particular schools were forced to restrict activities significantly and to deliver both remote learning and expanded elements of social policy (free school meals) which have been delegated to schools. In addition schools are dealing with consequences of lock down on the wellbeing and mental health of their pupils, parents and staff. We applaud the resilience and flexibility of this broad school community.

Our business adapted fast to lock-down moving to 100% remote working. Usage of our paid services spiked as schools looked to us for knowledge to inform their decision making. We offered access to more content outside the paywall to help schools who currently are not customers. Our MIS business, ScholarPack invested in delivering new features which address COVID-19 related needs.

In October 2019 the Key Support Services Limited divested 100% of the share capital of Webbased Limited as the sales channels and products diverged from the core strategic focus of the wider group, to give education leaders the knowledge to act. In the financial year the group recognised a loss of £18,443 on disposal of the subsidiary.

Key performance indicators

We use an array of operational and strategic KPIs in order to manage our business and motivate our team. Over the past decade we have acquired a considerable amount of know how about our market, our members and our business, which has helped us earn a market leading position and high customer advocacy.

The group's KPIs are as follows:

	2020	*2019*
Growth in revenue	7.9%	33.3%
Revenue per employee	103,134	86,921

Revenue growth is stated including Webbased. Excluding Webbased from both 2020 and 2019 underlying revenue growth was 13.3% in FY20.

Strategic report (Cont...)

Performance

Excluding the impact of amortisation of goodwill, the group continues to deliver sustained growth in profitability and operating cash flow.

Significant initiatives

Four significant initiatives were completed during the year which strengthened our business

- The Group expanded its involvement in the school MIS market by making a £3m investment in Arbor Education Partners Limited, together with an option to acquire the balance of the equity share capital it does not own. We believe that the school MIS market is ripe for change and that we have the means to deliver solutions to schools which help them improve educational outcomes and progress.
- We extended our service offering to school governing bodies by acquiring Ortoo Technologies Limited, trading as GovernorHub – a board administration system used by over 5000 schools.
- Our activities were slimmed down by the disposal of that part of WebBased which does not serve schools. The disposal has released scarce management resource at a small loss on disposal of some £18,443

Post Balance Sheet Event

On 9th December 2020 we acquired the balance of Arbor's equity we did not own and completed a re-capitalisation of the business using cash raised from a new investor CBPE. This event marked the end of the first chapter of the Group's life as an independent private company. It now moves forward with broader shareholder base, more capital and two strategic business units – Content and Tools and School MIS.

I would like to thank the Directors who have retired from the Board in anticipation of the completion of the re-capitalisation. They have all made significant contributions either in an executive role or as non-executives working with The Key for periods ranging from 2 to 13 years. They have been first rate contributors, challenging, inspiring and wonderful colleagues.

People

The group employed an average of 141 staff (compared with 155 in FY19). On average 97 (compared with 114 in FY19) people supported the digital content platform while 44 staff (41 in FY19) supported the MIS business.

The second half of 2020 was very challenging period. Our colleagues adapted quickly to home working, increased their productivity, delivered a superb service to our existing customers and customers-to-be whilst releasing constant improvements in service and adopting better processes. On behalf of all stakeholders I thank them for their effort and achievements.

We continue to invest in developing a diverse pool of talent with a variety of backgrounds including teaching, digital publishing, professional services and technology backgrounds. We run internal and external training programmes to build our capabilities and enhance the career prospects of our people.

Impact

Our colleagues are given paid leave to act as school governors or academy trustees. During the year 2020, our team held posts as school governors or trustees. They deliver value to the schools through bringing their business experience to bear on the many challenges our schools face. Their work with schools improves and refines our understanding of our members' needs. Each governor brings the schools free access to our services.

Strategic report (Cont...)

Prospects

We manage a profitable and cash generative group of businesses which has been built to serve the leadership teams of all schools in England and Wales. These leaders carry huge responsibilities, they undertake very important work for the nation and face many challenges. Our business is run to solve the real problems of these leaders as effectively and as inexpensively as possible. Provided we remain alert to the needs of our customers and continue to drive for improvements in all we do our prospects should remain sound.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

Event risk COVID-19

The emergence and subsequent spread of the coronavirus (COVID-19) in early 2020 is something that the Directors of the company are monitoring closely, both through government advice and commentary, as well as from a strategic planning perspective. The business assessed the risks on the business to be around the ability to move to a 100% remote workforce, COVID-19 related employee absences and the potential impact on cash collection shortfalls. The business was able to move all staff to work from home. After an initially anticipated delay in cash collections during the first lock down there has been no significant aging or bad debt write offs. Nearly one year after the initial outbreak the business has shown resilience to all of these risks and the Directors expect this to continue.

Financial risk

The group uses various financial instruments including loan notes, cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

Financial risk management

The group's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and credit risk. The group has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the group.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Interest rate risk

The group has both interest-bearing assets and interest-bearing liabilities. Interest bearing-assets include cash balances and interest-bearing liabilities include loan notes. Both the asset and liability earn or are charged interest at variable rates. Interest rate risk is managed by the group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Strategic report (Cont...)

Principal risks and uncertainties (continued)

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the company, as and when they fall due.

Cash and deposits are placed with banks and financial institutions which are regulated. Transactions are allowed only with counterparties who have sound credit ratings.

At the end of the reporting period, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Concentration of credit risk relating to trade receivables is limited due to the group's many varied customers. The group's historical experience in the collection of trade receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the group's trade receivables.

Employee involvement

The group and company's policy is to consult and discuss with employees, as appropriate, matters likely to affect employees' interests. Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group and company's performance.

Disabled employees

The group and company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Health and safety

The group and company is committed to safeguarding the health, safety and welfare of its employees and providing and maintaining safe working conditions as far as reasonably practical.

Environmental Matters

The group recognises its responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all the applicable legislation, prevent pollution and reduce waste wherever possible.

On behalf of the Board

Ian Armitage

Ian Armitage
Director
Date: Apr 27 2021

Registered No. 08268303

Directors' report

The directors present their annual report and audited consolidated financial statements for the year ended 31 August 2020.

Basis of preparation

Details of the basis of preparation have been disclosed in the Strategic report on page 2 and are included in this report by cross reference.

Results and dividends

The group profit for the year after taxation amounted to £1,606,769 (2019 – £805,481). The directors do not recommend a final dividend (2019 – £nil). The directors consider the results for the year and the year-end position to be satisfactory and in line with expectation.

Future developments

The directors continue to pursue their current growth strategy.

Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

D Allen
J Armitage
Lord Bichard (Resigned 31 March 2021)
V Dewhurst (Resigned 31 March 2021)
R A Harley (Resigned 31 March 2021)
S Hernandez
R Jewell (Resigned 30 October 2020)
C Kenyon (Appointed 11 December 2019)
P Osborne (Resigned 30 October 2020)
S F Tubb
S Vardigans (Resigned 31 March 2021)

Going concern

The financial position of the company and its exposures to financial and liquidity risks are summarised on pages 1 – 5.

Our deliberations concerning our trading and liquidity status over the next 12 months paying particular attention to the application of a going concern basis of accounting have taken account, inter alia, the following factors.

- COVD-19's global spread, mutations , success of vaccinations and the impact of multiple lockdowns on our customers and the economy
- The rise in Government indebtedness and the costs of servicing that debt
- The nature of our services, the small amount of school budgets they represent and their value for money
- A widely dispersed customer base of over 12,500 accounts with no significant concentration risk
- Our cash balances
- Current trading and trends for customer satisfaction, acquisition and retention in each business.

Directors' report (Cont...)

Going concern (continued)

To date the outbreak has not had a significant impact on the business. After an initial delay in cash collections during the first lock down there has been no significant aging or bad debt write offs and this is expected to continue for the next 12 months.

Based on our analysis of the Company's forecast the directors have an expectation that the company will be able to continue to meet its debts as they fall due and that the business will be able to serve its customers for the foreseeable future, which is defined as 12 months from the date of approval of these financial statements. Thus, we continue to adopt the going concern basis of accounting.

Events since the balance sheet date

On the 9th December 2020 the whole group was re-capitalised when entire share capital of Darwin Acquisitions Limited was acquired by Beagle Newco. This new holding company is owned by CBPE 33%, Ian Armitage through Isfield Nominees Limited 38%, management and other minority shareholders 29%.

Post year end on 10th December 2020 Key Support Services Limited a 100% owned subsidiary of the Company exercised its call option and acquired the 87% of Arbor Education Partners it did not own.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Ian Armitage

Ian Armitage
Director

Date: Apr 27 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 of the group and company and of the profit or loss of the group and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- 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 group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of The Key Support Services Limited

Opinion

We have audited the financial statements of The Key Support Services Limited ('the company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes 1 to 28 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the company's affairs as at 31 August 2020 and of the group's 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 below. We are independent of the group and parent 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the company's ability to continue to adopt the going concern basis of accounting for a period of twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report

to the members of The Key Support Services Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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 company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 8, 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

to the members of The Key Support Services Limited

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 https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Emily Butler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

27 April 2021

Group statement of comprehensive income

for the year ended 31 August 2020

	Notes	2020 £	2019 £
Turnover	5	14,541,828	13,472,811
Cost of sales		(752,324)	(1,203,759)
Gross profit		13,789,504	12,269,052
Administrative expenses		(11,726,912)	(10,985,227)
Exceptional costs	6	(144,811)	(796,814)
Operating profit	7	1,917,781	487,011
Interest receivable and similar income		14,337	46,306
Interest payable and similar charges		(6)	-
Other income		5,000	-
Profit before taxation		1,937,112	533,317
Tax	11	(330,343)	272,164
Profit for the year		1,606,769	805,481

Group balance sheet

at 31 August 2020

	Notes	*2020* £	*2019* £
Fixed assets			
Intangible assets	13	14,064,995	13,061,844
Tangible assets	14	323,345	419,539
Investments	15	3,000,100	100
		17,388,440	13,481,483
Current assets			
Debtors: amounts falling due after one year	16	100,630	-
Debtors: amounts falling due within one year	16	2,955,132	4,301,254
Cash at bank and in hand	17	4,621,680	972,908
		7,677,442	5,274,162
Creditors: amounts falling due within one year	18	(14,619,140)	(10,370,959)
Net current liabilities		(6,941,698)	(5,096,797)
Total assets less current liabilities		10,446,742	8,384,686
Provisions for liabilities			
Deferred tax	19	(1,228,651)	(773,364)
Net assets		9,218,091	7,611,322
Capital and reserves			
Called up share capital	20	5,021	5,021
Share premium account	21	480,718	480,718
Profit and loss account	21	8,732,352	7,125,583
Total shareholder's funds		9,218,091	7,611,322

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

Dan Allen

Daniel Allen
Director
Date: Apr 27 2021

The notes on pages 17 to 36 form part of these financial statements.

Company balance sheet

at 31 August 2020

	Notes	2020 £	2019 £
Fixed assets			
Intangible assets	13	1,285,882	1,490,714
Tangible assets	14	280,095	380,286
Investments	15	19,525,214	13,364,841
		21,091,191	15,235,841
Current assets			
Debtors: amounts falling due after more than one year	16	100,630	-
Debtors: amounts falling due within one year	16	1,845,298	3,805,332
Cash at bank and in hand	17	4,023,894	730,801
		5,969,822	4,536,133
Creditors: amounts falling due within one year	18	(14,510,505)	(10,143,799)
Net current liabilities		(8,540,683)	(5,607,666)
Total assets less current liabilities		12,550,508	9,628,175
Provisions for liabilities			
Deferred tax	19	(20,872)	(92,469)
Net assets		12,529,636	9,535,706
Capital and reserves			
Called up share capital	20	5,021	5,021
Share premium account	21	480,718	480,718
Profit and loss account	21	12,043,897	9,049,967
Total shareholder's funds		12,529,636	9,535,706

No profit and loss account has been presented for The Key Support Services Limited as permitted by section 408 of Companies Act 2006.

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

Dan Allen

Daniel Allen
Director

Date: Apr 27 2021

The notes on pages 17 to 36 form part of these financial statements.

Group statement of changes in equity

for the year ended 31 August 2020

	Called up share capital	*Share premium account*	*Profit and loss account*	*Total shareholder's funds*
	£	£	£	£
At 1 September 2018	5,021	480,718	6,320,102	6,805,841
Comprehensive income for the year				
Profit for the year	-		805,481	805,481
Total comprehensive income for the year	-	-	-	-
At 1 September 2019	5,021	480,718	7,125,583	7,611,322
Comprehensive income for the year				
Profit for the year	-	-	1,606,769	1,606,769
Total comprehensive income for the year				
At 31 August 2020	5,021	480,718	8,732,352	9,218,091

Company statement of changes in equity

for the year ended 31 August 2020

	Called up share capital	*Share premium account*	*Profit and loss account*	*Total shareholder's funds*
	£	£	£	£
At 1 September 2018	5,021	480,718	6,924,768	7,410,507
Comprehensive income for the year				
Profit for the year	-	-	2,125,199	2,125,199
Total comprehensive income for the year	-	-	-	-
At 1 September 2019	5,021	480,718	9,049,967	9,535,706
Comprehensive income for the year				
Profit for the year	-	-	2,993,930	2,993,930
Total comprehensive income for the year				
At 31 August 2020	5,021	480,718	12,043,897	12,529,636

Notes to the financial statements

at 31 August 2020

1. General information

The Key Support Services Limited is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office is given in the company information of these financial statements. The principal activity of the business is the provision of professional support services to the education sector.

2. Statement of compliance

The group and company financial statements of The Key Support Services Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS102") and the Companies Act 2006 under the provisions of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

3. Accounting policies

Basis of preparation

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 financial statements are prepared in Sterling which is the functional currency of the group and parent undertaking. No rounding has been applied.

Going concern

The financial position of the company and its exposures to financial and liquidity risks are summarised on pages 1 – 5.

Our deliberations concerning our trading and liquidity status over the next 12 months paying particular attention to the application of a going concern basis of accounting have taken account, inter alia, the following factors

- COVID-19's global spread, mutations , success of vaccinations and the impact of multiple lockdowns on our customers and the economy
- The rise in Government indebtedness and the costs of servicing that debt
- The nature of our services, the small amount of school budgets they represent and their value for money
- A widely dispersed customer base of over 12,500 accounts with no significant concentration risk
- Current trading and trends for customer satisfaction, acquisition and retention in each business.

To date the outbreak has not had a significant impact on the business. After an initial delay in cash collections during the first lock down there has been no significant aging or bad debt write offs and this is expected to continue for the next 12 months.

Based on our analysis of the Company's forecast the directors have an expectation that the company will be able to continue to meet its debts as they fall due and that the business will be able to serve its customers for the foreseeable future, which is defined as 12 months from the date of approval of these financial statements. Thus, we continue to adopt the going concern basis of accounting.

Notes to the financial statements

at 31 August 2020

3. Accounting policies (continued)

Exemptions for qualifying entities under FRS102

FRS102 allows qualifying entities certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to the use of the exemptions by the company's shareholders.

The parent company has taken advantage of the following exemptions:

- From preparing a statement of cashflow, under FRS102 paragraph 1.12(b), on the basis that it is a qualifying entity; the consolidated results and statement of cash flows for the Company are included within the publicly available financial statements of Darwin Acquisitions Limited.
- From disclosing certain financial instrument disclosures required under FRS102 para 11.39 to 11.48a and para 12.26 to 12.29 as the information is contained in the consolidated financial statement disclosures:
- From disclosing the group and company's key management compensation as required by FRS102 paragraph 33.7; and
- From disclosing related party transactions that are wholly within the same group under paragraph 33.1 from the provisions of FRS102, on the grounds that on 31 August 2020 it was a wholly owned subsidiary.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The following principal accounting policies have been applied:

Basis of consolidation

The Group financial statements consolidate the financial statements of The Key Support Services Limited and its own subsidiaries ("the Group") drawn up to 31 August 2020 each year. Intercompany transactions and balances between group companies are therefore eliminated in full.

No profit and loss account are presented for The Key Support Services Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Intangible assets

A software platform has been developed, which became the groups knowledge database, and is being amortised to the profit and loss account over its estimated economic life of 5 years.

Development costs, made up of staff costs, are capitalised and amortised to the profit and loss account over their estimated economic life of 3 years.

Trademarks are held at historical cost and reviewed for any impairment and have not been amortised.

Notes to the financial statements

at 31 August 2020

3. Accounting policies (continued)

Intangible assets (continued)

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of 5 years.

Customer relationships arising as a result of acquisitions are amortised to the profit and loss account over its estimated economic life of 10 years.

Tangible assets

Tangible assets are held 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, as per below.

Leasehold improvement	–	Remaining lease term
Plant and machinery	–	5 years straight line
Fixtures and fittings	–	5 years straight line
Office equipment	-	3-5 years straight-line

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

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

Investments

In the parent undertaking financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Turnover

Parent

Turnover represents subscriptions and event revenue. Subscription income is recognised in the profit and loss account over the period to which it relates. Where invoiced in advance, the subscription income is included in deferred income in the balance sheet. Event revenue is recognised on the date the event takes place.

Subsidiary

Turnover represents subscriptions revenue. Subscription income is recognised in the profit and loss account over the period to which it relates. Where invoiced in advance, the subscription income is included in deferred income in the balance sheet.

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.

Notes to the financial statements

at 31 August 2020

3. Accounting policies (continued)

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.

Financial instruments

The Group only enters into basic financial instruments 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other financial statements 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 not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and

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

Notes to the financial statements

at 31 August 2020

3. Accounting policies (continued)

Deferred taxation (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Finance costs

Finance costs are charged to the Group 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.

Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term.

Share capital

Ordinary shares as classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax from the proceeds.

Related party transactions

The group and company disclose transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Pensions

Defined contribution pension plan

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

Contributions to defined contribution schemes are recognised in the Group Statement of Comprehensive Income in the period in which they become payable. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Interest income

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

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Notes to the financial statements

at 31 August 2020

3. Accounting policies (continued)

Research and development (continued)

Deferred research and development costs are reviewed annually and, where future benefits are deemed to have ceased or be in doubt, the balance of any related research and development is written off to the profit and loss account.

Website

Website expenditure is only recognised on the balance sheet where it is specifically for the development, rather than for maintenance and general updates. The website is being amortised over 3 years.

4. Critical accounting judgements and estimation uncertainty

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

(a) Critical judgements in applying the groups' accounting policies

There are no critical judgements identified.

(b) Key accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Fair values on acquisition of Histon House Ltd and Ortoo Technologies Limited

The fair values of tangible and intangible assets acquired on the acquisition of Histon House Ltd and Ortoo Technologies Limited involved the use of valuation techniques and the estimation of future cashflows to be generated over a number of periods. The estimation of the future value of cash flows requires the combination of assumptions including revenue growth, sales mix and volumes and increases and customer attrition rates, changes in cost base and the selection of the appropriate discount rate.

5. Turnover

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

	2020	*2019*
	£	£
Subscriptions	14,541,828	13,472,811
	14,541,828	13,472,811

Notes to the financial statements

at 31 August 2020

6. Exceptional costs

Exceptional costs comprised:

	2020	*2019*
	£	*£*
Organisational restructure costs	126,368	245,062
Loss on disposal of subsidiary (note 13)	18,443	-
Impairment of intangible assets (note 13)	-	551,752
	144,811	796,814

7. Operating profit

The operating profit is stated after charging:

	2020	*2019*
	£	*£*
Depreciation of tangible fixed assets (note 14)	210,093	114,969
Amortisation of intangible assets (note 13)	3,741,322	3,768,443
Auditors' remuneration (note 8)	68,800	77,350
Loss on disposal of subsidiary (note 13)	18,443	-
Other operating lease rentals (note 23)	620,638	464,917
Defined contribution pension cost (note 22)	229,269	175,566

8. Auditors' remuneration

The remuneration of the auditors or its associates is further analysed as follows:

	2020	*2019*
	£	*£*
Audit of the financial statements	44,500	18,500
Audit of subsidiaries	17,300	11,350
Total audit	61,800	29,850
Other non-audit services	-	37,500
Taxation compliance services	7,000	10,000
Total non-audit services	-	47,500
Auditors' remuneration	68,800	77,350

Auditors' fees for the company were £44,500 (2019 £18,500).

Notes to the financial statements

at 31 August 2020

9. Directors' remuneration

	2020	*2019*
	£	*£*
Directors' salaries and fees	821,453	511,842
Other pension costs	34,832	19,746
	856,285	531,588

During the year retirement benefits were accruing to 6 directors (2019 – 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £209,847 (2019 – £140,175).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,200 (2019 – £11,925).

10. Staff costs

	2020	*2019*
	£	*£*
Wages and salaries	4,260,855	4,317,665
Social security costs	460,023	458,389
Other pension costs	175,091	140,702
	4,895,969	4,916,756

Staff costs included above are net of costs capitalised of £1,230,841 (2019 – £1,260,494).

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

	2020	*2019*
	No.	*No.*
Professional support	141	155

Notes to the financial statements

at 31 August 2020

11. Tax

(a) Tax on profit on ordinary activities

The tax debit/(credit) is made up as follows:

	2020	*2019*
	£	*£*
Corporation tax		
Current tax on profit for the year	260,453	64,130
Adjustments in respect of previous periods	109,050	(304,160)
Total current tax	369,503	(240,030)
Deferred tax		
Origination and reversal of timing differences	(40,069)	(85,396)
Adjustment in respect of previous periods	76,282	53,262
Tax under / (over) provided in previous years	(75,374)	-
Total deferred tax	(39,161)	(32,134)
Taxation charge/(credit) on profit	330,343	(272,164)

(b) Factors affecting tax credit for the year

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

	2020	*2019*
	£	*£*
Profit before tax	1,937,112	533,317
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 – 19%)	368,051	101,330
Effects of:		
Non-tax-deductible amortisation of goodwill and impairment	371,053	429,771
Expenses not deductible for tax purposes	26,363	81,105
Adjustments to tax under (over) in respect of prior periods	88,552	(250,898)
Group relief	(412,059)	(481,582)
Movement on deferred tax not recognised	-	(39,911)
Research and development tax	(145,293)	(126,066)
Tax under provided in previous years	33,676	14,087
Total tax charge/(credit) for the year	330,343	(272,164)

Notes to the financial statements

at 31 August 2020

11. Tax (continued)

(c) Factors that may affect future tax charge

Group relief has been claimed for tax losses arising in the year, amounting to £412,059 (2019 – £481,582).

From 1 April 2017 taxable profits are taxed at the rate of 19% and the Finance Act 2016, has provided that from 1 April 2020 taxable profits will be taxed at 19%. As part of Budget 2020, the Government announced that the reduction in the corporate income tax rate to 17%, that was previously enacted to be effective from 1 April 2020, would be cancelled. Accordingly, the deferred tax balance as at 31 August 2020 is calculated using a corporate income tax rate of 19% (2019: 17%). The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 August 2020 continue to be measured at 19%.

12. Parent undertaking profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent undertaking for the year was £2,993,930 (2019 – £2,125,199).

Notes to the financial statements

at 31 August 2020

13. Intangible assets

The intangible asset arising on the investment in WebBased Limited was fully impaired in the prior year giving rise to a charge to the Profit and loss account of £551,752. In October 2019 the Key Support Services Limited disposed of the investment in Webbased Limited, the related intangible asset held on the balance sheet along with accumulated amortisation of £649,892 have been disposed in the financial year.

Group	*Website*	*Development*	*Trademarks*	*Client Relationship*	*Goodwill*	*Total*
	£	£	£	£	£	£
Cost:						
At 1 September 2019	878,125	6,165,623	27,378	4,528,633	10,481,231	22,080,990
Additions	109,079	1,255,572	-	2,593,947	785,874	4,744,471
Disposals	-	-	-	-	(649,892)	(649,892)
At 31 August 2020	987,204	7,421,195	27,378	7,122,580	10,617,212	26,175,569
Amortisation and impairment						
At 1 September 2019	878,125	4,474,586	-	945,191	2,721,244	9,019,146
Charge for the year	46,171	1,124,511	-	577,569	1,993,071	3,741,322
Disposals	-	-	-	-	(649,892)	(649,892)
Reclass brought forward amortisation	-	-	-	(350,018)	350,018	-
At 31 August 2020	924,296	5,599,097	-	1,172,743	4,414,441	12,110,573
Net book value:						
At 31 August 2020	62,908	1,822,098	27,378	5,949,837	6,202,773	14,064,995
At 1 September 2019	-	1,691,037	27,378	3,583,442	7,759,987	13,061,844

Notes to the financial statements

at 31 August 2020

13. Intangible assets (continued)

Company	*Website*	*Development*	*Trademarks*	*Total*
	£	£	£	£
Cost:				
At 1 September 2019	680,950	5,016,089	27,378	5,724,417
Additions	-	770,180	-	770,180
At 31 August 2020	680,950	5,786,269	27,378	6,494,597
Amortisation:				
At 1 September 2019	680,950	3,552,753	-	4,233,703
Charge for the year	-	975,012	-	975,012
At 31 August 2020	680,950	4,527,765	-	5,208,715
Net book value:				
At 31 August 2020	-	1,258,504	27,378	1,285,882
At 1 September 2019	-	1,463,336	27,378	1,490,714

Notes to the financial statements

at 31 August 2020

14. Tangible assets

Group	*Leasehold improvement*	*Plant and machinery*	*Fixtures and fittings*	*Office equipment*	*Total*
	£	£	£	£	£
Cost:					
At 1 September 2019	48,577	22,333	170,273	850,915	1,092,098
Additions	-	-	2,953	118,081	121,034
Disposals	-	(20,416)	(6,135)	(64,914)	(91,465)
At 31 August 2020	48,577	1,917	167,091	904,082	1,121,667
Depreciation:					
At 1 September 2019	48,577	22,333	114,723	486,926	672,559
Charge for the year	-	-	32,087	178,006	210,093
Depreciation on disposals	-	(20,416)	(6,135)	(57,779)	(84,330)
At 31 August 2020	48,577	1,917	140,675	607,153	798,322
Net book value:					
At 31 August 2020	-	-	26,416	296,929	323,345
At 1 September 2019	-	-	55,550	363,989	419,539

Company	*Leasehold improvement*	*Fixtures and fittings*	*Office equipment*	*Total*
	£	£	£	£
Cost:				
At 1 September 2019	48,577	147,434	685,330	881,341
Additions	-	2,953	48,945	51,898
At 31 August 2020	48,577	150,387	734,275	933,239
Depreciation:				
At 1 September 2019	48,577	99,140	353,338	501,055
Charge for the year	-	28,779	123,310	152,089
At 31 August 2020	48,577	127,919	476,648	653,144
Net book value:				
At 31 August 2020	-	22,468	257,627	280,095
At 1 September 2019	-	48,294	331,992	380,286

Notes to the financial statements

at 31 August 2020

15. Investments

Group	*Investments in subsidiary companies*
	£
Cost:	
At 1 September 2019	100
Additions	3,000,000
Net book value:	
At 31 August 2020	3,000,100

On 17 April 2020, The Key Support Services Limited, acquired 12.8% of the share capital of Arbor Limited for £3,000,000, the results of which are not consolidated within these financial statements.

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Company	*Investments in subsidiary companies*
	£
Cost:	
At 1 September 2019	14,285,349
Additions	6,160,374
Disposal	(920,509)
At 31 August 2020	19,525,214
Impairment:	
Impairment	(920,509)
Reversal in the year charge	920,509
At 31 August 2020	-
Net book value:	
At 31 August 2020	19,525,214
At 1 September 2019	13,364,841

In April 2020, The Key Support Services Limited, acquired 12.8% of the share capital of Arbor Limited for £3,000,000, the results of which are not consolidated within these financial statements.

In April 2020 The Key Support Services Limited acquired 100% of the share capital of Ortoo Technologies Limited for £3,146,146, the results for which are consolidated within these financial statements.

In December 2020 a further £14,127 was paid which had not been accrued in the prior year in respect of deferred consideration payable for the investment in ScholarPack.

Notes to the financial statements

at 31 August 2020

15. Investments (continued)

The company disposed of a £920,509 investment in the subsidiary WebBased Limited. The outcome in the financial year was nil as the investment had been fully impaired in the previous financial year. The group recognised a loss of £18,443 on the disposal of the subsidiary. The parent company recognised £5,000 of income in respect of the disposal of the investment.

Details of the principal subsidiaries can be found under note 26 within these financial statements.

16. Debtors

		Group		*Company*
	2020	*2019*	*2020*	*2019*
	£	*£*	*£*	*£*
Due after more than one year				
Other debtors	100,630	-	100,630	-

		Group		*Company*
	2020	*2019*	*2020*	*2019*
	£	*£*	*£*	*£*
Due within one year				
Trade debtors	2,151,337	1,228,840	1,359,765	861,412
Amounts owed by parent undertaking	-	2,479,898	-	2,479,898
Other debtors	112,844	153,870	106,769	151,799
Corporation tax debtor	-	86,455	-	95,355
Prepayments and accrued income	690,950	352,191	378,765	216,868
	2,955,132	4,301,254	1,839,160	3,805,332

Amounts owed by the parent undertaking are interest free and repayable on demand.

Other debtors payable after more than one year relate to rent deposits.

17. Cash and cash equivalents

		Group		*Company*
	2020	*2019*	*2020*	*2019*
	£	*£*	*£*	*£*
Cash at bank and in hand	4,621,680	9[illegible],908	4,023,894	730,801

Notes to the financial statements

at 31 August 2020

18. Creditors: amounts falling due within one year

		Group		*Company*
	2020	*2019*	*2020*	*2019*
	£	*£*	*£*	*£*
Trade creditors	443,672	156,544	302,920	92,766
Amounts owed to group undertakings	3,907,973	-	6,222,488	1,869,890
Corporation tax	424,654	-	301,048	-
Taxation and social security costs	979,691	543,949	729,999	440,036
Other creditors	29,192	15,558	27,291	15,258
Accruals	779,492	2,270,837	723,813	2,120,002
Deferred income	8,054,466	7,384,071	6,202,946	5,605,847
	14,619,140	10,370,959	14,510,505	10,143,799

Amounts owed to group undertakings are interest free and repayable on demand.

Included within other creditors is £2,009 (2019 – £2,009) owing to previous shareholders in the company.

The company has pledged it's assets as security against any bank credit cards. At the year end, the company has an amount outstanding in respect of secured debts of £13,260 (2019 – £19,367).

The company's bankers have a fixed and floating charge over the company's assets.

Notes to the financial statements

at 31 August 2020

19. Deferred tax

Group	*Deferred tax liability*
	£
At beginning of the year: 2020	773,364
Intangible asset acquired in the year	494,448
Credited to profit or loss	(39,161)
At end of the year: 2020	1,228,651

Company	*Deferred tax liability*
	£
At beginning of the year: 2020	92,469
Credited to profit or loss	(71,597)
At end of the year: 2020	20,872

		Group		*Company*
	2020	*2019*	*2020*	*2019*
	£	*£*	*£*	*£*
Accelerated capital allowances	126,092	145,705	35,413	102,103
Intangible assets	1,117,817	646,007	-	-
Other timing differences	(15,259)	(18,348)	(14,541)	(9,634)
	1,228,650	773,364	20,872	92,469

20. Issued share capital

Shares classified as equity		*2020*		*2019*
Allotted, called up and fully paid	*No.*	*£*	*No.*	*£*
Ordinary shares of £0.001 each	3,455,874	3,456	3,455,874	3,456
Ordinary C shares of £0.001 each	1,058,696	1,059	1,058,696	1,059
Ordinary D shares of £0.001 each	206,189	206	206,189	206
Ordinary E shares of £0.001 each	300,000	300	300,000	300
		5,021		5,021

All shares rank equally in terms of distribution of dividends and repayment of capital.

Notes to the financial statements

at 31 August 2020

21. Movements on reserves

Share premium account

The group share premium account balance £480,718 (FY19 £480,718) represents the premium arising on the issue of shares, net of issue costs. The company share premium account balance £480,718 (FY19 £480,718) represents the premium arising on the issue of shares, net of issue costs.

Profit and loss account

The group profit and loss account balance £8,732,352 (FY19 £7,125,583) represent cumulative profits and losses. The company profit and loss account balance £12,043,897 (FY19 £9,049,967) represent cumulative profits and losses.

22. Pensions

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 £229,269 (2019 – £175,566). Contributions totalling £42,039 (2019 – £44,103) owing to the fund at the balance sheet date are included in creditors.

23. Other financial commitments

At 31 August 2020 the company had annual commitments under non-cancellable operating leases as set out below:

		Group		*Company*
	2020	*2019*	*2020*	*2019*
	£	*£*	*£*	*£*
Operating leases which expire:				
Within one year	383,398	60,000	383,398	60,000
In two to five years	324,874	262,500	324,874	262,500
	708,271	322,500	708,271	322,500

24. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102, whereby it has not disclosed transactions with the ultimate parent undertaking or any wholly owned subsidiary undertakings of the group.

Notes to the financial statements

at 31 August 2020

25. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Darwin Acquisitions Limited, a company incorporated in England, United Kingdom

As at 31 August 2020 the members of Isfield Investments LLP were the ultimate controlling parties.

The largest group of undertakings for which consolidated results are drawn up and of which the company is a member is Darwin Acquisitions Limited. Copies of the group financial statements are available from Companies House.

The Company have taken exemption from preparing a statement of cash flows. The consolidated results and statement of cash flows for the Company are included within the publicly available financial statements of Darwin Acquisitions Limited.

Subsequent to the year end on 9 December 2020 the entire share capital of Darwin Acquisitions Limited, the parent company of The Key Support Services Limited, was acquired by the following investors: CBPE 33%, Ian Armitage through Isfield Nominees Limited: 38%, other minority shareholders including management 29%.

26. Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Direct subsidiary undertaking

Name	*Class of shares*	*Holding*	*Principal activity*
Histon House Ltd	Ordinary	100%	Professional information technology services
Ortoo Technologies	Ordinary	100%	Professional information technology services

In October 2019 the Key Support Services Limited divested 100% of the share capital of Webbased Limited and is 100% held subsidiary, WBi Systems Limited, as the sales channels and products diverged from the core strategic focus of the wider group, to give education leaders the knowledge to act. In the financial year the group recognised a loss of £18,443 on disposal of the subsidiary.

In April 2020 The Key Support Services Limited acquired 100% of the share capital of Ortoo Technologies Limited.

The registered office of each subsidiary undertaking is 1st Floor, Linen Court, London. Each subsidiary undertaking is incorporated in England.

Notes to the financial statements

at 31 August 2020

27. Business combination

On 17 April 2020 The Key Support Services Limited acquired 100% of the share capital of Ortoo Technologies Ltd. The following table summarises the consideration paid by the group and the fair value of the assets acquired and liabilities assumed. The fair value of the net assets acquired, and in particular, the fair value of the intangible fixed assets are described below.

	£
Consideration	
Cash	1,718,492
Subscription to Darwin Acquisitions Limited Shares	849,992
Deferred Consideration	450,000
Directly attributable costs	127,662
Total consideration	3,146,146

Recognised amounts of identifiable assets acquired, and liabilities assumed

	Book values	*Adjustments*	*Fair values*
	£	£	£
Intangible assets (a)	-	2,593,947	2,593,947
Tangible assets	8,957	-	8,957
Cash	373,016	-	373,016
Debtors	151,056	-	151,056
Creditors	(258,128)	-	(258,128)
Deferred tax (b)	-	(494,448)	(494,448)
Total identifiable net assets	274,901	2,099,499	2,374,400
Goodwill	-	771,746	771,746
Total	274,901	2,871,245	3,146,146

The adjustments arising on acquisition were in respect of the following:

(a) The recognition of intangible assets in respect of customer relationships; and

(b) Deferred tax adjustment arising as a result of fair value adjustments.

28. Events since the balance sheet date

On 9th December 2020 we acquired the balance of Arbor's equity we did not own and completed a re-capitalisation of the business using cash raised from a new investor CBPE. This event marked the end of the first chapter of the Group's life as an independent private company. It now moves forward with broader shareholder base, more capital and two strategic business units - Content and Tools and School MIS.