REGISTERED NUMBER: 10903330 (England and Wales)

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

for the Period 7 August 2017 to 31 December 2017

for

Community Brands UK Holdings Limited

Contents of the Consolidated Financial Statements
for the Period 7 August 2017 to 31 December 2017

Community Brands UK Holdings Limited

Company Information
for the Period 7 August 2017 to 31 December 2017

DIRECTORS:	M Branca L M Hook
REGISTERED OFFICE:	2 Darker Street Leicester Leicestershire LE1 4SL
REGISTERED NUMBER:	10903330 (England and Wales)
AUDITORS:	The Barnbrook Sinclair Partnership LLP Chartered Accountants Statutory Auditor Chancery House 30 St Johns Road Woking Surrey GU21 7SA

Group Strategic Report
for the Period 7 August 2017 to 31 December 2017

The directors present their strategic report of the group for the period ended 31 December 2017.

PRINCIPAL ACTIVITY
The principal activity of the company during the year was that of a holding company.The principal activity of the group during the year was that of the supply of software solutions to the UK education market.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS
During the year, the Company acquired 100% of the share capital in Teachers2Parents Limited, BehaviourWatch Limited, Smart Payments Limited, Edusoft Limited, SchoolsWire Limited and WisePay Limited all focused on providing leading software solutions within the UK.

The Group is focused on growth and a continuing strategy to provide leading software solutions to the UK market, with focus in the education space. On 17th September 2018, the Company acquired 100% of the issued ordinary share capital of Groupcall Limited, a company incorporated in the UK which provides software to schools and local government.

KEY PERFORMANCE INDICATORS
The group considers its Key Performance Indicators to be turnover, net profit, net assets and cash.

	2017 £
Sales	3,789,908
EBITDA	584,039
Net Assets	19,968,225
Cash at bank	7,792,807

PRINCIPAL RISKS AND UNCERTAINTIES
The group's principal financial instruments comprise bank balances, trade debtors, and trade creditors. The main purpose of these instruments is to provide funds for the group's operations. Their existence exposes the group to a number of financial risks, which have been considered and are managed as follows:

Credit Risk:
The group has a significant and diverse customer base, ranging from large schools through to small nurseries. This, combined with undertaking stringent credit checks and the implementation of further safeguards, where necessary, minimises credit risk.

Operational risk:
Operational risk is the risk of a direct or indirect loss resulting from the inadequacies or failures of processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the group maintains a system of comprehensive policies and a control framework which is designed to provide a sound and well-controlled operational environment.

Liquidity risk:
Liquidity risk is the risk that the group will have insufficient resources to meet its financial liabilities as they fall due. The group regularly forecasts cash flow to ensure that sufficient cash is available from trading for future expenses and capital expenditure.

Interest rate risk
Interest rate risk is the risk that the financial performance of the group will be adversely affected by adverse fluctuations on interest rates being charged to the group on its financial instruments. The interest rate risk is managed by using short term agreements with fixed low interest rates. This is deemed sufficient to mitigate this risk.

Currency risk
Currency risk is the risk that the financial performance of the group will be adversely affected by adverse fluctuations in foreign currencies used by the group. The group has minimal exposure to foreign currency risk.

The directors review the principal risks and uncertainties facing the group on a regular basis and ensure systems and policies are continuously updated to reflect any changes, they work in an efficient manner to minimise those risks and help achieve the group's objectives.

GOING CONCERN
The group's business activities, together with the factors likely to affect its future development, performance and position are set out above. After making enquiries, the directors have an expectation that the group's net assets as at 31 December 2017 of £20.0 m and projections for a period of 12 months from the accounts signing date are more than sufficient to provide adequate resources to continue in operational existence for the foreseeable future. The directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

ON BEHALF OF THE BOARD:

L M Hook - Director

29 May 2019

Report of the Directors
for the Period 7 August 2017 to 31 December 2017

The directors present their report with the financial statements of the company and the group for the period 7 August 2017 to 31 December 2017.

INCORPORATION
The company was incorporated on 7 August 2017 and commenced its activities on the same date.

DIVIDENDS
No dividends will be distributed for the period ended 31 December 2017.

EVENTS SINCE THE END OF THE PERIOD
Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTOR
S Tapp was appointed as a director on 7 August 2017 and resigned on 7 December 2017.
M Branca and L M Hook were appointed as directors after 31 December 2017 but prior to the date of this report.

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

Company law requires the directors to prepare financial statements for each financial 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, The Barnbrook Sinclair Partnership LLP, has indicated its willingness to continue in office.

ON BEHALF OF THE BOARD:

L M Hook - Director

29 May 2019

Report of the Independent Auditors to the Members of Community Brands UK Holdings Limited

Opinion
We have audited the financial statements of Community Brands UK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, 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 group's and of the parent company affairs as at 31 December 2017 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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

Report of the Independent Auditors to the Members of
Community Brands UK Holdings Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 four, 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 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Malcolm Sinclair (Senior Statutory Auditor)
for and on behalf of The Barnbrook Sinclair Partnership LLP
Chartered Accountants
Statutory Auditor
Chancery House
30 St Johns Road
Woking
Surrey
GU21 7SA

29 May 2019

Consolidated Statement of Comprehensive Income
for the Period 7 August 2017 to 31 December 2017

	Notes	£
REVENUE		3,789,808
Cost of sales		(1,695,543)
GROSS PROFIT		2,094,265
Administrative expenses		(2,938,944)
OPERATING LOSS	4	(844,679)
Interest receivable and similar income		479
		(844,200)
Interest payable and similar expenses	5	(162,128)
LOSS BEFORE TAXATION		(1,006,328)
Tax on loss	6	(192,428)
LOSS FOR THE FINANCIAL PERIOD		(1,198,756)
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,198,756)
Loss attributable to: Owners of the parent		(1,198,756)
Total comprehensive income attributable to: Owners of the parent		(1,198,756)

The notes form part of these financial statements

Community Brands UK Holdings Limited (Registered number: 10903330)

Consolidated Statement of Financial Position
31 December 2017

	Notes	£
FIXED ASSETS		
Intangible assets	8	44,378,510
Property, plant and equipment	9	353,843
Investments	10	-
		44,732,353
CURRENT ASSETS		
Debtors	11	23,413,758
Cash at bank and in hand		7,792,807
		31,206,565
CREDITORS		
Amounts falling due within one year	12	(55,939,085)
NET CURRENT LIABILITIES		(24,732,520)
TOTAL ASSETS LESS CURRENT LIABILITIES		19,999,833
PROVISIONS FOR LIABILITIES	14	(31,608)
NET ASSETS		19,968,225
CAPITAL AND RESERVES		
Called up share capital	15	21,166,981
Retained earnings	16	(1,198,756)
SHAREHOLDERS' FUNDS		19,968,225

The financial statements were approved by the Board of Directors on 29 May 2019 and were signed on its behalf by:

L M Hook - Director

The notes form part of these financial statements

Community Brands UK Holdings Limited (Registered number: 10903330)

Company Statement of Financial Position
31 December 2017

	Notes	£
FIXED ASSETS		
Intangible assets	8	-
Property, plant and equipment	9	-
Investments	10	43,940,517
		43,940,517
CURRENT ASSETS		
Debtors	11	21,166,981
Cash at bank		4,050,000
		25,216,981
CREDITORS		
Amounts falling due within one year	12	(48,152,645)
NET CURRENT LIABILITIES		(22,935,664)
TOTAL ASSETS LESS CURRENT LIABILITIES		21,004,853
CAPITAL AND RESERVES		
Called up share capital	15	21,166,981
Retained earnings	16	(162,128)
SHAREHOLDERS' FUNDS		21,004,853
Company's loss for the financial year		(162,128)

The financial statements were approved by the Board of Directors on 29 May 2019 and were signed on its behalf by:

L M Hook - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Period 7 August 2017 to 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	21,166,981	-	21,166,981
Total comprehensive income	-	(1,198,756)	(1,198,756)
Balance at 31 December 2017	21,166,981	(1,198,756)	19,968,225

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Period 7 August 2017 to 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	21,166,981	-	21,166,981
Total comprehensive income	-	(162,128)	(162,128)
Balance at 31 December 2017	21,166,981	(162,128)	21,004,853

The notes form part of these financial statements

Community Brands UK Holdings Limited (Registered number: 10903330)

Consolidated Statement of Cash Flows
for the Period 7 August 2017 to 31 December 2017

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	4,982,722
Interest paid		(162,128)
Tax paid		152,789
Net cash from operating activities		4,973,383
Cash flows from investing activities		
Purchase of tangible fixed assets		(3,633)
Cash acquired on acquisition		2,881,633
Purchase of subsidiary undertakings		(43,940,516)
Interest received		479
Net cash from investing activities		(41,062,037)
Cash flows from financing activities		
Loan from group undertaking		43,881,461
Net cash from financing activities		43,881,461
Increase in cash and cash equivalents		7,792,807
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	7,792,807

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Period 7 August 2017 to 31 December 2017

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	£
Loss before taxation	(1,006,328)
Depreciation charges	1,418,654
Finance costs	162,128
Finance income	(479)
	573,975
Decrease in trade and other debtors	503,422
Increase in trade and other creditors	3,905,325
Cash generated from operations	4,982,722

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 31 December 2017

	31/12/17	7/8/17
	£	£
Cash and cash equivalents	7,792,807	-

1. **STATUTORY INFORMATION**

Community Brands UK Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006, including the provisions of the large and medium sized companies and groups (accounts and reports) regulations 2008. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£), which is the functional currency of the group.

Company Statement of Comprehensive Income

As permitted by s408 Companies Act 2006, the Company as not presented its own statement of comprehensive income. The Company's loss for the period and total comprehensive loss for the period was £162,128.

Going concern
After making enquiries, the directors have an expectation that the group's net assets as at 31 December 2017 of £20.0 m and projections for a period of 12 months from the accounts signing date are more than sufficient to provide adequate resources to continue in operational existence for the foreseeable future. The directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis.

Basis of consolidation
The consolidated financial statements incorporate those of Education Brands T2P Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 December 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Turnover
Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill
The company acquired a group of companies in August 2017. The goodwill arising on acquisition of £25,252,443 is being amortised evenly over its estimated useful life of ten years.

Another company was acquired in November 2017. The goodwill on acquisition of £3,273,932 is being amortised evenly over its estimated useful life of five years.

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

Trademarks, trade names, developed technology and customer relationships are being amortised evenly over their estimated useful life of 10 to 13 years.

continued...

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% on cost
Plant and machinery	- 25% on cost, 20% on cost and 15% on cost
Fixtures and fittings	- 25% on reducing balance and 10% on cost
Computer equipment	- 25% on reducing balance

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Investment in subsidiaries
The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits for its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. Any impairment losses are recognised in the profit and loss account.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full, to all of its financial instruments.

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

Financial assets

Debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where an arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into.An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors
Creditors which are payable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

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

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

continued...

2. **ACCOUNTING POLICIES - continued**

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

Critical accounting estimates and assumptions
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 amounts of assets and liabilities within the next financial year are discussed below.

Valuation of intangible fixed assets
The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

3. **EMPLOYEES AND DIRECTORS**

	£
Wages and salaries	1,035,539
Social security costs	97,052
Other pension costs	8,161
	1,140,752

The average monthly number of employees during the year was 133.

There are no staff costs in the parent company.

	£
Director's remuneration	-

4. **OPERATING LOSS**

The operating loss is stated after charging:

	£
Hire of plant and machinery	546
Depreciation - owned assets	19,834
Goodwill amortisation	950,879
Patents and licences amortisation	447,941
Auditors' remuneration	29,500
Auditors' remuneration for non audit work	2,000

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	£
Interest payable	162,128

continued...

6. TAXATION

Analysis of the tax charge

The tax charge on the loss for the period was as follows:

	£
Current tax:	
UK corporation tax	400,457
Prior year under / (over) provision	(202,789)
Total current tax	197,668
Deferred tax	(5,240)
Tax on loss	192,428

Reconciliation of total tax charge included in profit and loss

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

	£
Loss before tax	(1,006,328)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(191,202)
Effects of:	
Expenses not deductible for tax purposes	296,580
Adjustments to tax charge in respect of pre-acquisition periods	87,050
Total tax charge	192,428

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
Cost			
Additions	28,526,375	17,250,955	45,777,330
At 31 December 2017	28,526,375	17,250,955	45,777,330
Amortisation			
Amortisation for period	950,879	447,941	1,398,820
At 31 December 2017	950,879	447,941	1,398,820
Net book value			
At 31 December 2017	27,575,496	16,803,014	44,378,510

continued...

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Cost					
Additions	-	3,633	-	-	3,633
Reclassification/transfer	33,508	202,400	125,908	8,228	370,044
At 31 December 2017	33,508	206,033	125,908	8,228	373,677
Depreciation					
Charge for period	1,811	11,866	5,810	347	19,834
At 31 December 2017	1,811	11,866	5,810	347	19,834
Net book value					
At 31 December 2017	31,697	194,167	120,098	7,881	353,843

10. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
Cost	
Additions	43,940,517
At 31 December 2017	43,940,517
Net book value	
At 31 December 2017	43,940,517

The company's subsidiary undertakings are:

Company	**Country of incorporation**	**Class of shares**	**%**
Teachers2Parents Ltd	England	Ordinary	100%
Smart Payments Ltd	England	Ordinary	100%
Edusoft Ltd	England	Ordinary	100%
SchoolsWire Ltd	England	Ordinary	100%
BehaviourWatch Ltd	England	Ordinary	100%
Wisepay Limited	England	Ordinary	100%

The financial statements of all subsidiaries are prepared to 31 December.

 continued...

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	£	£
Trade debtors	1,730,535	-
Amounts owed by group undertakings	21,166,981	21,166,981
Other debtors	213,314	-
Tax	202,109	-
Prepayments and accrued income	100,819	-
	23,413,758	21,166,981

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company
	£	£
Trade creditors	1,077,382	-
Amounts owed to group undertakings	43,881,461	43,881,461
Tax	198,349	-
Social security and other taxes	98,886	-
VAT	140,541	-
Other creditors	5,129,937	4,271,184
Accruals and deferred income	5,412,529	-
	55,939,085	48,152,645

13. FINANCIAL INSTRUMENTS

The carrying amount of the Group's financial instruments as 31 December were:

	Group	Company
	31/12/17	31/12/17
	£	£
Financial Assets:		
Debt instruments measured at amortised cost	23,110,830	21,199,420
Measured at fair value through profit or loss	-	-
	23,110,830	21,199,420
Financial liabilities:		
Measured at amortised cost	49,935,907	48,152,646
Measured at fair value through profit or loss	-	-
	49,935,907	48,152,646

14. PROVISIONS FOR LIABILITIES

	Group
	£
Deferred tax	31,608

continued...

14. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax
	£
Provided during period	(5,240)
On acquisition	36,848
Balance at 31 December 2017	31,608

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
21,166,981	Ordinary	£1	21,166,981

21,166,981 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

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

16. RESERVES

Group

	Retained earnings
	£
Deficit for the period	(1,198,756)
At 31 December 2017	(1,198,756)

Company

	Retained earnings
	£
Deficit for the period	(162,128)
At 31 December 2017	(162,128)

17. RELATED PARTY DISCLOSURES

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

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

continued...

18. POST BALANCE SHEET EVENTS

On 17th September 2018, the Company acquired 100% of the issued ordinary share capital of Groupcall Limited, a company incorporated in the UK which provides software to schools and local government.

19. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is SCDM Holdings Corporation, a company incorporated in the United States of America. The ultimate parent undertaking is Insight MB Holdings LLC incorporated in the United States of America. There is no ultimate controlling party.

20. ACQUISITION OF TEACHERS 2 PARENTS GROUP OF COMPANIES

On 12 August 2017 the group acquired a group of companies consisting of Teachers 2 Parents Ltd, Behaviourwatch Ltd, Edusoft Ltd, Smart Payments Ltd and Schoolswire Ltd. The investment in the Teachers 2 Parents group of companies has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of the Teachers 2 Parents group of companies:

Net assets at date of acquisition:	Book Value		Revaluation Adjustments	Fair Value to Group
Intangible assets		(a)	15,494,870	15,494,870
Tangible assets	361,816			361,816
Debtors	2,481,355			2,481,355
Bank	2,278,483			2,278,483
Creditors due within 1 year	(7,663,925)			(7,663,925)
Provisions	(36,848)			(36,848)
Net assets				12,915,751
Goodwill arising on acquisition				25,252,443
				38,168,194
Discharged by:				
Cash proceeds				37,543,757
Costs associated with the acquisition				624,437
				38,168,194

Adjustments:
(a) Trademarks and tradenames, developed technology and customer relationships of £15,494,870 were identified on acquisition.

continued...

21. ACQUISITION OF WISEPAY LTD

On 6 November 2017 the group acquired Wisepay Ltd. The investment in Wisepay Ltd has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Wisepay Ltd:

Net assets at date of acquisition:	Book Value		Revaluation Adjustments	Fair Value to Group
Intangible assets		(a)	1,756,085	1,756,085
Tangible assets	8,229			8,229
Debtors	588,844			588,844
Bank	603,150			603,150
Creditors due within 1 year	(457,917)			(457,917)
Net assets				2,498,391
Goodwill arising on acquisition				3,273,932
				5,772,323
Discharged by:				
Cash proceeds				5,253,077
Costs associated with the acquisition				519,246
				5,772,323

Adjustments:
(a) Trademarks and tradenames, non-compete agreements, developed technology and customer relationships of £1,756,085 were identified on acquisition.