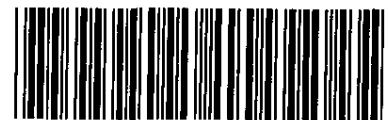


Registered number: 06865896

THE KNOWLEDGE ACADEMY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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THE KNOWLEDGE ACADEMY LIMITED

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THE KNOWLEDGE ACADEMY LIMITED

COMPANY INFORMATION

Directors	B Hothi D Hothi
Registered number	06865896
Registered office	Reflex Cain Road Bracknell Berkshire RG12 1HL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3, Forbury Place 23 Forbury Rd Reading RG1 3JH

THE KNOWLEDGE ACADEMY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present the Strategic Report of The Knowledge Academy Limited (the "Company") for the year ended 31 March 2022.

Business review and future developments

For the financial year, the Company has focused particularly on developing its vast virtual and e-learning portfolio, to ensure alignment with the market's focus on digital skills.

The Business sees the current skill shortage in the UK, coupled with the prevalence and emergence of new technologies as important drivers of growth. The surge of the market take-up in Ed-Tech, especially in response to the post-pandemic climate conditions, creates opportunities for the Company, as it looks to expand on its international reach. The Company continues to increase its product portfolio and continues to invest in the development of software to drive efficiencies and customer engagement.

The Business remains hopeful that the COVID pandemic will continue to decline internationally, and consequently have a reduced impact on operations within the subsequent financial year. No other matter or circumstance has arisen since 31st March 2022 that has significantly affected the Company's operations, results or state of affairs, or may do so in future years.

Principal risks and uncertainties

The Company's operations expose it to a variety of financial risks that include currency risk, liquidity and cashflow risk, interest rate risk and credit risk.

Currency risk

The Company's sales are primarily invoiced in, sterling and occasionally in other currencies. The directors monitor currency levels and take appropriate steps to manage the Company's exposure to currency risks.

Liquidity and cashflow risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The Company finances its operations through its existing cash flow. The directors review interest rate fluctuations to determine whether borrowing is advantageous.

Credit risk

The Company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors.

Pandemic risk

The risk of epidemic or pandemic disease has the risk of loss of revenue and disruption of services, causing staff, customer, reputation and performance implications for the Company. A business continuity plan is established and adapted continuously based on experience and new scenarios to mitigate impact.

Brexit

Management continues to monitor the impact of Brexit, and are confident that the Company is able to continue to navigate and excel in the economic environment, due to the existing and ever-expanding global reach of the Company.

THE KNOWLEDGE ACADEMY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Going concern

Considering the continued recovery from the COVID-19 pandemic by the training industry, the Company's board of directors has completed a rigorous review of its going concern assessment and taken the following action to test and enhance the robustness of the Board's approach to cash flow liquidity for a 17 month outlook period after the signing of these financial statements, based on the Board's approved budget.

As part of the review, the Board considered:

- The current and future prevalence and impact of COVID on training operations as of the date of consideration
- The Company's cash flow forecasts and revenue projections for all subsidiaries
- Reasonable possible changes in trading performance, including two opposing scenarios
- The Company's robust policy towards liquidity and cash flow management, considerable of minimal cash holding and no external debt funding
- The Company's ability to successfully manage the principal risks outlined in this report

The Company's ability to cope with severe but plausible scenarios that assume various percentage reductions of revenue considering both a best case and worst case scenario and the ability for the Company to continue on such basis.

Specifically, since the origination of the COVID Pandemic, and continued still, the Company has taken the following actions:

- Invested in international group growth
- Reduced its non essential expenditures
- Focused on credit control and cash collection
- Renegotiated supplier contracts, where necessary
- Continued its commitment to self-sufficient cash flow without the need for external borrowing or investment

As of the date of publication, despite a slightly improved COVID outlook since last year, the board continues to keep a close eye on international prevalence of COVID-19, and its potential impact upon business. After reviewing the Company's forecasts and risk assessments and making other enquiries, including the conduction of downside scenario analysis, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the 17 months from the date of signing the Annual Report and Financial Statements. Furthermore, the directors commit that they will not take further dividends, unless the business has sufficient liquidity to pay them.

Commitment to customers

The Company provides educational and consultancy services to private and public sector organisations. Customers include the MoD, NHS, local and central government, and the education sector. The business identifies key customers at an early stage of the value creation process and pays continual attention to its customers with a combination of focused marketing, extensive product research, classroom delivery (within government guidelines), and online, virtual and blended learning.

Business development

The Company operates in a mature market and is currently pursuing growth through organic development. The Company provides innovative managed learning services to meet the needs of a broad customer base.

Commitment to employees

The Company is part of The Knowledge Academy group of companies, which operates on a global basis, providing its services through its trainers and support staff. The Company provides a structured programme of staff development and coaching, through a combination of external and in-house courses.

THE KNOWLEDGE ACADEMY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Growth and future developments

Future growth will be generated through new product development to grow the portfolio of core training programmes and to build bespoke learning products for its global clients. The Company continues to invest in its digital course library for e-learning delivery, using the latest technology.

Key performance indicators

The directors actively review monthly management accounts including analysis of turnover, gross margin and net profits. Key client contracts, cash and overall candidate numbers are also reviewed to ensure that growth expectations can be achieved and that staff levels and infrastructure are adequate to meet the needs of the business. Refer to the Statement of Comprehensive Income and Balance Sheet for the current and prior year balances.

Directors' statement of compliance with duty to promote the success of the Group

As with all companies, decision making within the Group is complex and the board takes into account many factors, sometimes conflicting, when reaching decisions. Quality decision-making is supported by board meetings and minutes. The directors' decisions are always driven by the need to promote the success of the Company for the benefit of its members as a whole and whilst taking decisions they consider all of their duties under the Companies Act 2006, including having regard to all of the matters under Section 172 (1) a) to f) – following internal research and training of the Board, regarding the act. The impact of decisions on stakeholders is considered in detail and such discussions are captured in board minutes.

The Group at appropriate decision points seeks guidance from independent advisors to strengthen, challenge and validate decision making.

Summary of how the Board engages with our stakeholders

The Group considers that the stakeholder groups that are impacted by the Group, its decisions and its business activities are the key stakeholders and include the Group's employees, its customers, supply chain partners, the local environment and communities where our sites are situated and our shareholders.

The management team and other employees take part in direct and indirect engagement with various stakeholder groups. We recognise the importance of our stakeholders such as, without our dedicated and committed team of employees, we would be unable to successfully manage our portfolio of companies or provide high quality levels of service, without our customers we would be unable to benefit from revenue generation. Our supply chain partners are critical to this success and ultimately the Group's long term success.

The impact of this engagement is detailed in the following section.

- Customers – our purpose is to deliver quality training services to our customers – we do this by ensuring that regular dialogue is maintained and the quality of our training courses are maintained and developed upon. We acknowledge the requirements, and are conscientious, of products, price and quality, convenience and accessibility, customer service, fair marketing, appropriate management of personal data, and consideration for ethics, the environment and sustainability. The Board also engage and have visibility of performance, via management and board packs – which help to inform decision making.
- Colleagues – Our provision of excellent services for our customers and the growth of TKA is dependent upon the Company's employees – as a consequence, the Company holds high regard for employee wellbeing, fair pay, including gender pay, health and safety, diversity and inclusion, training, development and career opportunities, responsible use of personal data, and fair employment.

THE KNOWLEDGE ACADEMY LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Summary of how the Board engages with our stakeholders (continued)

- Community – We aspire to be responsible members of our community as it reflects our principle to do the right thing, examples of which are our commitment to fair tax, charitable giving, and fair employment. We're an established and well regarded employer too – offering career and employment opportunities.
- Environment – We are committed to minimising the impact of our business operations on the environment and our conscientious of our footprint, we encourage the same conscientiousness from our stakeholders too, including energy reduction, reduction in waste, and sustainability.
- Suppliers – Our suppliers are pivotal to our delivery of high quality services. Hence, we only work with suppliers with an equivalent high regard for quality, ethics (including the prohibition of modern slavery and anti-bribery), rights, a consideration for the environment, and commitment to our customers.

Principal Decisions

As noted above, management meetings are held monthly. All decisions are made by the management team, the composition of which includes the Group's and Company's statutory directors enabling them with the ability to demonstrate oversight of any decisions made on its behalf.

Where a principal decision is to be made, an assessment of the impact of that principal decision on key stakeholders will be considered, and will include matters such as how each key stakeholders' interest was considered as part of the assessment, details of any risks identified and resulting actions proposed to be taken to monitor and mitigate those risks. Consideration will also be given to any potential impacts on the Company's reputation and how that impact will be monitored.

Principal decisions, defined as those which: (i) are linked to matters of strategic importance; (ii) are commercially material matters of financial or operational importance; and (iii) impact key stakeholders include, dividends and matters that will substantially affect the Company's employees.

The following principal decisions were made during the reporting period:

Dividends

The Board decided to pay dividends totalling £11,750,000 (2021: £8,000,000) in respect of the year. In making their decisions, the directors took into account the Company's capital position, the amount of its distributable reserves, as well as its cash position. Consideration was given to the Company's business and the actual and contingent liabilities inherent in that business, and the ability of the Company to be able to pay its debts as they fell due. The Company understands the importance of delivering dividends to its shareholders. The Company is therefore committed to maintaining an appropriate balance between total cash returns to its shareholders, investment in the business, and maintaining a strong capital position.

This report was approved by the board and signed on its behalf by:



Signer ID: DH45LNHHP2...

B Hothi
Director

Date: 09/08/2022

THE KNOWLEDGE ACADEMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and the audited financial statements of The Knowledge Academy Limited (the "Company") for the year ended 31 March 2022.

Principal activities

The principal activity of the Company in the year under review was that of the provision of educational and consultancy services to private and public sector organisations.

Results and dividends

The profit for the financial year amounted to £9,645,286 (2021: £7,127,886).

During the year the parent company, The Knowledge Academy Holdings Limited, was paid a total dividend of £11,750,000 (2021: £8,000,000) by the Company.

Directors

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

B Hothi
D Hothi

Qualifying third party indemnity provisions

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force.

Employee involvement

It is the policy of the Company to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created. Employees are consulted on matters of concern to them through regular meetings and manager reviews.

Disabled employees

Applications for employment by disabled persons are always fully considered with the same opportunities as all employees, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

THE KNOWLEDGE ACADEMY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



Signer ID: DH45LNHHP2...

B Hothi
Director

Date: 09/08/2022

THE KNOWLEDGE ACADEMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KNOWLEDGE ACADEMY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, The Knowledge Academy Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and the Financial statements (the "Annual Report"), which comprise Balance Sheet as at 31 March 2022, Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

THE KNOWLEDGE ACADEMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KNOWLEDGE ACADEMY LIMITED (CONTINUED)

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

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 an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and Tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to increase profits. Audit procedures performed by the engagement team included:

- Enquiring of management and those charged with governance as to the company's high-level policies and procedures to prevent and detect fraud and inspection of regulatory correspondence, to identify actual and potential breaches of laws and regulations including those related to the areas noted above. These enquiries were corroborated through review of Board minutes provided.
- Evaluation of relevant management's controls designed to prevent and detect irregularities by performing walkthroughs;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations to revenue, cash and expenses.
- As required by ISA 240, an element of unpredictability was incorporated into our audit testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

THE KNOWLEDGE ACADEMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE KNOWLEDGE ACADEMY LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Katherine Stent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Date: 9 August 2022

THE KNOWLEDGE ACADEMY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	30,332,241	24,856,015
Cost of sales		(10,408,156)	(9,539,954)
Gross profit		19,924,085	15,316,061
Administrative expenses		(11,641,782)	(10,212,225)
Other operating income	5	3,638,895	3,599,725
Operating profit	6	11,921,198	8,703,561
Interest payable and similar expenses	10	(21,261)	(33)
Profit before taxation		11,899,937	8,703,528
Tax on profit	11	(2,254,651)	(1,575,642)
Profit for the financial year		9,645,286	7,127,886
Total comprehensive income for the financial year		9,645,286	7,127,886

The notes on pages 14 to 30 form part of these financial statements.

THE KNOWLEDGE ACADEMY LIMITED
REGISTERED NUMBER: 06865896

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		41,783		82,960
Investments	14		986,357		485,341
			<u>1,028,140</u>		<u>568,301</u>
Current assets					
Stocks	15	103,149		50,172	
Debtors	16	9,663,423		9,851,220	
Cash at bank and in hand	17	8,650,023		7,366,884	
		<u>18,416,595</u>		<u>17,268,276</u>	
Creditors: amounts falling due within one year	18	(17,339,325)		(13,624,708)	
Net current assets			<u>1,077,270</u>		<u>3,643,568</u>
Total assets less current liabilities			<u>2,105,410</u>		<u>4,211,869</u>
Creditors: amounts falling due after more than one year	19		(21,050)		(33,681)
Provisions for liabilities					
Other provisions	21		(53,352)		(42,466)
Net assets			<u>2,031,008</u>		<u>4,135,722</u>
Capital and reserves					
Called up share capital	22		12		12
Profit and loss account	23		2,030,996		4,135,710
Total shareholders' funds			<u>2,031,008</u>		<u>4,135,722</u>

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



Signer ID: DH45LNHHP2 ..

B Hothi
 Director

Date: 09/08/2022

The notes on pages 14 to 30 form part of these financial statements.

THE KNOWLEDGE ACADEMY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 April 2020	12	5,007,824	5,007,836
Comprehensive income for the financial year			
Profit for the financial year	-	7,127,886	7,127,886
Total comprehensive income for the financial year	-	7,127,886	7,127,886
Contributions by and distributions to owners			
Dividends: Equity capital	-	(8,000,000)	(8,000,000)
Total transactions with owners	-	(8,000,000)	(8,000,000)
At 31 March 2021 and 1 April 2021	12	4,135,710	4,135,722
Comprehensive income for the financial year			
Profit for the financial year	-	9,645,286	9,645,286
Total comprehensive income for the financial year	-	9,645,286	9,645,286
Contributions by and distributions to owners			
Dividends: Equity capital	-	(11,750,000)	(11,750,000)
Total transactions with owners	-	(11,750,000)	(11,750,000)
At 31 March 2022	12	2,030,996	2,031,008

The notes on pages 14 to 30 form part of these financial statements.

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The Knowledge Academy Limited (the "Company") is a private company limited by shares which is incorporated and domiciled in England and Wales (UK). The address of its registered offices is Reflex, Cain Road, Bracknell, Berkshire, RG12 1HL.

The principal activity of the Company in the year under review was that of the provision of educational and consultancy services to private and public sector organisations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention 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 Company is a wholly-owned subsidiary of The Knowledge Academy Holdings Limited and is included in the consolidated financial statements of The Knowledge Academy Holdings Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of The Knowledge Academy Holdings Limited as at 31 March 2022 and these financial statements may be obtained from Reflex, Cain Road, Bracknell, Berkshire, United Kingdom, RG12 1HL.

2.3 Related party exemption

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Going concern

Considering the continued recovery from the COVID-19 pandemic by the training industry, the Company's board of directors has completed a rigorous review of its going concern assessment and taken the following action to test and enhance the robustness of the Board's approach to cash flow liquidity for a 17 month outlook period after the signing of these financial statements, based on the Board's approved budget.

As part of the review, the Board considered:

- The current and future prevalence and impact of COVID on training operations as of the date of consideration
- The Company's cash flow forecasts and revenue projections for all subsidiaries
- Reasonable possible changes in trading performance, including two opposing scenarios
- The Company's robust policy towards liquidity and cash flow management, considerate of minimal cash holding and no external debt funding
- The Company's ability to successfully manage the principal risks outlined in this report

The Company's ability to cope with severe but plausible scenarios that assume various percentage reductions of revenue considering both a best case and worst case scenario and the ability for the Company to continue on such basis.

Specifically, since the origination of the COVID Pandemic, and continued still, the Company has taken the following actions:

- Invested in international group growth
- Reduced its non essential expenditures
- Focused on credit control and cash collection
- Renegotiated supplier contracts, where necessary
- Continued its commitment to self sufficient cash flow without the need for external borrowing or investment

As of the date of publication, despite a slightly improved COVID outlook since last year, the board continues to keep a close eye on international prevalence of COVID-19, and its potential impact upon business. After reviewing the Company's forecasts and risk assessments and making other enquiries, including the conduction of downside scenario analysis, the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the 17 months from the date of signing the Annual Report and Financial Statements. Furthermore, the directors commit that they will not take further dividends, unless the business has sufficient liquidity to pay them.

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Turnover

Turnover comprises revenue recognised by the Company in respect of materials and courses supplied during the year after accounting for any deferred and accrued income and is recognised on the event date.

Turnover for Flexi Passes and Knowledge Passes is recognised on the event date or expiry of the pass. These pre-paid passes have 2, 6 and 12 month terms respectively, and are drawn down by the respective clients of the Company.

Tuition fees:

Tuition fees, excluding value added tax, is in relation to courses delivered during the year and is recognised evenly over the period of the relevant course. Any receipts in advance of a course starting date are held on the Balance Sheet as deferred income. Where tuition has been provided in advance of the invoice being raised, income is accrued or once the course performance obligation has been fulfilled.

E-learning courses fees:

Course fees in relation to e-learning are recognised at the point that the individual has access to the e-learning course. Any receipts in advance of access being granted are held on the Balance Sheet as deferred income. Access to e-learning courses is not granted without upfront payment.

2.6 Tangible assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	- 5 years
Fixtures and fittings	- 5 years
Office equipment	- 3 years

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

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

2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first in, first out method. Cost is the purchase price, including any costs directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Comprehensive Income. Any reversal of an impairment is recognised as a credit in the Statement of Comprehensive Income.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the 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.

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

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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

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

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.14 Finance costs

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

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.16 Operating leases

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

2.17 Pensions

Defined contribution pension plan

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

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

2.18 Interest income

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

2.19 Other operating income

The Company provides services to other group companies, such as the provision of finance staff and IT services. Such costs are not the core business of the entity, and therefore these are credited to other operating income on an accruals basis.

Additionally, during the prior year the Company also received grant income which was credited to other operating income.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.21 Share capital

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

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.22 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

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

Preparation of the financial statements requires management to make significant judgements and estimates in determining the carrying amounts of certain assets and liabilities. Management makes assumptions of the effects of uncertain future events on those assets and liabilities at the Balance Sheet date. The management's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. This disclosure excludes uncertainty over future events and judgement in respect of measuring financial instruments. There are no further significant judgements or estimates.

4. Turnover

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

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	25,404,440	21,612,656
Rest of the World	4,927,801	3,243,359
	<u>30,332,241</u>	<u>24,856,015</u>

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Other operating income

	2022 £	2021 £
Other operating income	3,638,895	3,195,518
Grant income	-	404,207
	<u>3,638,895</u>	<u>3,599,725</u>

Other operating income of £3,638,895 (2021: £3,195,518) relates to management charges to related entities.

6. Operating profit

The operating profit is stated after charging/(crediting):

	2022 £	2021 £
Depreciation expense on tangible assets (charged to administrative expense)	60,970	113,452
Amortisation expense for intangible assets (charged to administrative expense)	-	47,667
Exchange differences	11,009	(160,827)
Operating lease rentals	132,194	166,571
Impairment of trade debtors	56,598	60,000
Inventory charged as expense	106,212	88,825
	<u>106,212</u>	<u>88,825</u>

7. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	45,000	45,000
	<u>45,000</u>	<u>45,000</u>

In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditors for 'Other services' as this information is included in the consolidated financial statements of The Knowledge Academy Holdings Limited.

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Employees

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

	2022 £	2021 £
Wages and salaries	4,067,457	3,926,285
Social security costs	529,859	459,750
Other pension costs	94,177	88,657
	<u>4,691,493</u>	<u>4,474,692</u>

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

	2022 Number	2021 Number
Directors	2	2
Admin	18	22
Other	118	108
	<u>138</u>	<u>132</u>

9. Directors' remuneration

	2022 £	2021 £
Aggregate directors' remuneration	<u>5,273</u>	<u>4,848</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Other interest payable	<u>21,261</u>	<u>33</u>

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Tax on profit

	2022 £	2021 £
Corporation tax		
Current tax on profits for the financial year	2,278,882	1,681,107
Adjustment in respect of prior years	7,042	(179,814)
	<u>2,285,924</u>	<u>1,501,293</u>
Double taxation relief	-	(1,460)
	<u>2,285,924</u>	<u>1,499,833</u>
Foreign tax		
Foreign tax on income for the financial year	6,496	1,757
Total current tax	<u>2,292,420</u>	<u>1,501,590</u>
Deferred tax		
Origination and reversal of timing differences	(21,473)	(18,265)
Adjustment in respect of prior years	-	92,317
Effect of changes in tax rates	(16,296)	-
Total deferred tax	<u>(37,769)</u>	<u>74,052</u>
Total tax	<u><u>2,254,651</u></u>	<u><u>1,575,642</u></u>

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022 £	2021 £
Profit before taxation	<u>11,899,937</u>	<u>8,703,528</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	2,260,988	1,653,670
Effects of:		
Expenses not deductible for tax purposes	6,524	14,370
Effects of overseas tax rates	5,262	-
Group relief	(8,869)	(5,198)
Adjustment in respect of prior years	7,042	(87,497)
Tax rate changes	(16,296)	297
Total tax charge for the financial year	<u>2,254,651</u>	<u>1,575,642</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

12. Dividends

	2022 £	2021 £
Interim dividends of £979,167 (2021: £666,667) per £1 (2021: £1) share	<u>11,750,000</u>	<u>8,000,000</u>

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible assets

	Improvements to property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2021	105,225	275,095	880,808	1,261,128
Additions	-	9,664	10,129	19,793
At 31 March 2022	<u>105,225</u>	<u>284,759</u>	<u>890,937</u>	<u>1,280,921</u>
Accumulated depreciation				
At 1 April 2021	104,112	234,704	839,352	1,178,168
Charge for the year	901	26,270	33,799	60,970
At 31 March 2022	<u>105,013</u>	<u>260,974</u>	<u>873,151</u>	<u>1,239,138</u>
Net book value				
At 31 March 2022	<u>212</u>	<u>23,785</u>	<u>17,786</u>	<u>41,783</u>
At 31 March 2021	<u>1,113</u>	<u>40,391</u>	<u>41,456</u>	<u>82,960</u>

THE KNOWLEDGE ACADEMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Investments

	Investments in subsidiary companies £
Cost	
At 1 April 2021	485,341
Additions	501,016
At 31 March 2022	986,357

Within the year there has been an investment of £501,016 in the Company's new subsidiary, International Knowledge Academy Private Limited.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Pentagon Training Limited	Building 3, Concorde Road, Maidenhead, England, SL6 4BY	Provision of educational and consultancy services	Ordinary	100%
The Knowledge Academy Inc.	405 Lexington Avenue, Chrysler Building 25th & 26th Floor, New York City New York 10174	Provision of educational and consultancy services	Ordinary	100%
The Knowledge Academy Australia Pty Limited	Sydney Citigroup Centre, Level 39, Citigroup, 2 Park Street, Sydney, NSW 2000	Provision of educational and consultancy services	Ordinary	100%
Canada The Knowledge Academy Corporation	Suite 2600, Three Bentall Centre, P.O. Box 49314, 595 Burrard Street, Vancouver, BC Canada, V7X 1L3	Provision of educational and consultancy services	Ordinary	100%
The Knowledge Academy New Zealand Ltd	88 Shortland Street, Auckland 1010, New Zealand	Provision of educational and consultancy services	Ordinary	100%
International Knowledge Academy Private Limited	677, 1st Floor, Suite No.1061, 27th Main 13th Cross, HSR Layout, 1 Sector, Bangalore, KA 560102	Provision of educational and consultancy services	Ordinary	99.99%

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>103,149</u>	<u>50,172</u>

There is no significant difference between the replacement cost of inventories and their carrying amounts. Inventories are stated after provisions for impairment of £Nil (2021: £Nil).

16. Debtors

	2022 £	2021 £
Trade debtors	3,909,915	2,631,198
Amounts owed by group undertakings	3,860,725	4,911,804
Amounts owed by related parties	1,600,613	1,820,473
Other debtors	22,166	53,663
Deferred taxation (note 20)	71,686	33,918
Prepayments and accrued income	198,318	400,164
	<u>9,663,423</u>	<u>9,851,220</u>

Amounts owed by group undertakings and related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Trade debtors are stated after provisions of £293,232 (2021: £235,378)

17. Cash at bank and in hand

	2022 £	2021 £
Cash at bank and in hand	<u>8,650,023</u>	<u>7,366,884</u>

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,682,539	1,823,994
Amounts owed to group undertakings	164,309	214,174
Amounts owed to related parties	21,267	1,518
Corporation tax	2,307,213	1,612,569
Other taxation and social security	1,393,483	924,228
Other creditors	189,793	143,806
Accruals	2,076,436	2,012,307
Deferred income	9,504,285	6,892,112
	<u>17,339,325</u>	<u>13,624,708</u>

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

19. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Accruals	21,050	33,681
	<u>21,050</u>	<u>33,681</u>

20. Deferred taxation

	2022 £
At beginning of year	33,918
Charged to profit or loss	37,769
Other	(1)
At end of year	<u>71,686</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(5,096)	(10,804)
Short term timing differences - trading	76,782	44,722
	<u>71,686</u>	<u>33,918</u>

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

21. Other provisions

	Dilapidations £
At 1 April 2021	42,466
Charged to profit or loss	10,886
At 31 March 2022	53,352

The Company is required to restore the leased premises back to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements and restore back to the original condition.

22. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
12 (2021: 12) Ordinary shares of £1 (2021: £1) each	12	12

23. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

24. Pension commitments

The Company operates a defined contribution 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 £94,177 (2021: £88,657).

25. Commitments under operating leases

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	282,695	407,536
Later than 1 year and not later than 5 years	1,072,179	1,106,743
Later than 5 years	446,741	1,089,505
	1,801,615	2,603,784

THE KNOWLEDGE ACADEMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

26. Related party transactions

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.

The Company made the following sales to and purchases from related parties during the year, and has the following outstanding balances with those parties:

Related party	2022	2021	2022	2021	2022	2021
	Sales during the year ended 31 March		Purchases during the year ended 31 March		Amounts owed by/(owed to) related companies as at 31 March	
	£	£	£	£	£	£
Datrix Learning Services Ltd	235,491	360,546	-	-	405,895	576,946
Best Practice Training Limited	2,220	4,943	(127,707)	-	(21,267)	(1,518)
IT Service Management Limited	9,218	49,880	-	-	1,396	17,676
Silicon Beach Training Limited	4,469	17,723	-	-	4,055	1,794
Pearce Mayfield Training Ltd	-	3,327	(20,702)	-	103,656	103,563
Pearce Mayfield Training Limited – Dubai Branch	-	-	-	-	1,085,610	1,120,590

See note 9 for disclosure of the directors' remuneration. There are no other key management personnel (2021: None).

27. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is The Knowledge Academy Holdings Limited, which is the smallest and largest group to consolidate these financial statements. Copies of The Knowledge Academy Holdings Limited consolidated financial statements can be obtained from Reflex, Cain Road, Bracknell, Berkshire, United Kingdom, RG12 1HL.

The ultimate controlling parties are the directors B Hothi and D Hothi.