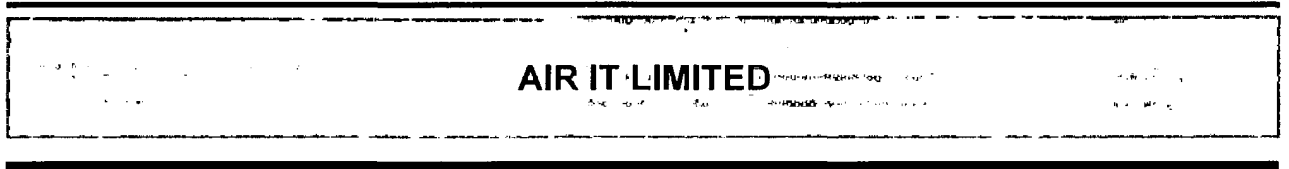
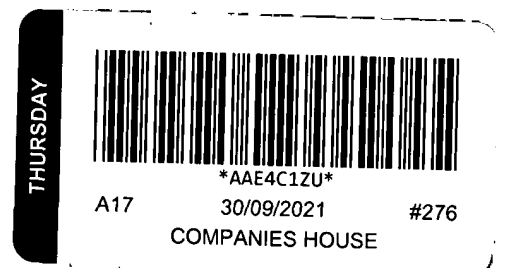


Registered number: 05543898



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020



AIR IT LIMITED

COMPANY INFORMATION

Directors	J S Hardy (appointed 12 March 2020) J P Healey J J Whitty (appointed 30 August 2020) T S Mc Quilkin (resigned 16 January 2020) P Judge (resigned 16 January 2020)
Company secretary	J Healey
Registered number	05543898
Registered office	Unit 7 Interchange 25 Business Park Bostocks Lane Nottingham NG10 5QG

AIR IT LIMITED

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AIR IT LIMITED

STRATEGIC REPORT FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020

Introduction

The Directors present their strategic report for the Year Ended 30th December 2020. The accounting period ended 31 August 2020 and was extended to end on 31 December 2020. Subsequent periods will end on the same day and month in future years.

Air IT Limited was acquired by Koru Bidco Limited (KBL) on 16 January 2020 and the ultimate parent company is Koru Topco Limited (KTL). KTL was incorporated in December 2019 and backed by August Equity Partners LLP and the management team.

Business review

Air IT Ltd is one of the UK's Leading independent IT Managed Service Providers (MSP). The company is principally involved in enabling the alignment of technology with business goals, offering a portfolio of services tailored to clients' needs including managed IT, digital transformation, telephony, mobiles and broadband, as well as maintaining individual practices dedicated to cyber security and business intelligence. The majority of sales are derived from SME's.

The company enjoys 63% of its revenue being generated from recurring services. As a consequence, and inconsistent with the wider economy, the business was not significantly impacted by global COVID-19 pandemic, but rather expedited businesses plans towards digitising their companies using services offered by IT Managed Service providers.

The company continues to innovate and provide additional services to our existing and new clients through the highly talented team of 270 people which it employs across the group, we are grateful to them for their dedication and continued hard work throughout a period of significant working practice change and increased demand.

The results represent the Company's activities for the 16 months to 31 December 2020, and the comparative figures for the twelve months to 31 August 2019.

The revenue for the company was £11.8m representing a 25% growth on a comparable basis, EBITDA (Earnings before interest, taxation, depreciation and amortisation) was £1.55m representing a 68% growth on a comparable basis.

During the year, Air IT acquired 100% shareholding in three companies, MTL Technology Limited (Microtrading Limited), Upstream Group Limited (Riverbank I.T. Management Limited) and Nexus Limited, (the results are not included in the figures in this report but can be seen in the consolidated accounts of Koru Topco Limited along with the acquisition of Netstar Group Limited (Netstar UK Limited)). All three businesses provide equivalent and complementary services to Air IT. During 2021 further acquisitions were made for Arteri Holdings (Infotech Solutions (UK) Limited), Concise Technologies Group Limited (Concise Technologies Limited), ITL Limited and MFG UK Limited.

The Directors are not aware, at the date of this report, of any other likely significant changes to the company's activities in the current year.

Future developments

2021 will see the continuation and evolution of the strategic initiatives to boost the company's growth both organically and via acquisition.

The company will continue to bring new innovative, products and services to market. Further investment in our people, products, processes, systems, and marketing activity will be at the forefront of the company's priorities to ensure continued and improved client satisfaction.

AIR IT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

Principal risks and uncertainties

The company's activities are subject to risks and uncertainties, which may affect future financial performance. These are risks not only faced by the company, there may be additional risks and uncertainties not currently known or that are not believed to be material.

Financial Risk management

The company is exposed to a variety of financial and operational risks which could have an impact on the groups future performance. At the period end the company key risks were considered and set out below.

Competitive Risk

There are a number of MSP's who provide similar services. The company is a multiple award winning MSP, however the key long term relationship and innovations provided to existing and new client helps mitigate potential threats.

Financial Risk

The company's principle financial assets are the bank deposits and the trade receivables.

Bank deposits. 63% of the company's sales are recurring and based on long term contracts. As a result, the company bank deposits and income are forecast ahead and well managed. All customers, new and existing, are regularly credit checked and closely monitored.

Interest rate risks. During the reported period there were no interest rate exposures.

Financial key performance indicators

The company's key performance indicators (KPI'S) are recurring revenue, gross profit, and EBITDA. The company do not consider there to be any non-financial KPIs applicable to the company.

This report was approved by the board on **29 September 2021** and signed on its behalf.

Jonathan Hardy

J S Hardy
Director

AIR IT LIMITED

**DIRECTORS' REPORT
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the 16 months period ended 31 December 2020. The accounting period ended 31 August 2020 was extended so as to end on 31 December 2020. Subsequent periods will end on the same day and month in future years.

Results and dividends

The profit for the 16 months period, after taxation, amounted to £802,075 (2019 Unaudited: £526,033).

Directors

The directors who served during the 16 months period and up to the date of this report were:

J S Hardy (appointed 12 March 2020)
J P Healey
J J Whitty (appointed 30 August 2020)
T S Mc Quilkin (resigned 16 January 2020)
P Judge (resigned 16 January 2020)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Matters covered in the strategic report

The business review and future review of the business are covered by the strategic report.

AIR IT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

Engagement with employees

We continually invest in employees training, development and wellbeing. The company engages with employees via a variety of communications, consultation and participation activities. We endeavour to create an environment where people can develop their skills and career and feel engaged and part of a successful business.

Qualifying third party indemnity provisions

There were no third party indemnity provisions.

Post balance sheet events

In March 2021 the company acquired 100% share capital of Arteri Holdings (Infotech Solutions (UK) Limited and Concise Technologies Group Limited (Concise Technologies Limited). In August the company acquired 100% of the share capital of ITL Limited and MFG UK Limited.

Going concern

For Going Concern, Air IT Limited, which is headed by Koru Topco Limited ('the Group'), is considered as a whole. The Directors have reviewed the future trading and cash flow forecasts out to December 2022. Key sensitivities of client renewal rates, new client generation and uncontrolled operational costs have been considered to determine what results are likely and what is feasible. The Group has a stable, substantial customer base with no reliance on any one customer and has net cash resources. The Group is funded by bank debt, loan notes and shares, which are not due for repayment within the next 12 months, The Directors therefore do not expect the need for additional funding.

After reviewing the Group's forecasts and projections, the directors have an expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

During the period Grant Thornton UK LLP were appointed as the company's first auditor. The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 September 2021 and signed on its behalf.

Jonathan Hardy

J S Hardy
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIR IT LIMITED

Opinion

We have audited the financial statements of AIR IT Limited (the 'company') for the 16 months period ending 31 December 2020, which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the 16 months 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Prior year financial statements unaudited

The company was not required to have a statutory audit for the year ended 31 August 2019 as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly the corresponding figures for the year ended 31 August 2019 are unaudited.

Conclusions relating to going concern

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



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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial 16 months period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the company operates. We enquired of management, whether they were aware of any instances of noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our commercial experience and through discussion with management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and evaluating management's incentives and opportunities for manipulation of the financial statements. We considered the risk of fraud to be higher through the potential for management override of controls.
- Audit procedures performed by the engagement team included:
 - testing manual journal entries determined to be of unusual value, large value or with certain description characteristics, journals to suspense accounts or journals with unusual user postings.
 - challenging assumptions and judgements made by management in its estimates of bad debts provision, contingent consideration and depreciation rates.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - understanding of the financial reporting framework and the relevant tax compliance regulations specific to the entity.
- We did not identify any matters relating to non compliance with laws and regulations or incidence of fraud.



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

Use of our report

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

Grant Thornton UK LLP

Matthew Buckingham BSc ACA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 29 September 2021

AIR IT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

		16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Turnover	4	11,823,235	7,023,692
Cost of sales		(5,408,570)	(3,455,983)
Gross profit		6,414,665	3,567,709
Administrative expenses		(5,211,678)	(3,188,068)
Exceptional administrative expenses	14	(154,998)	-
RDEC Credit		62,508	-
Other operating income	5	71,427	64,847
Operating profit	6	1,181,924	444,488
Income from shares in group undertakings	10	-	154,362
Interest payable and expenses	11	(79,425)	(28,154)
Profit before tax		1,102,499	570,696
Tax on profit	12	(300,424)	(44,663)
Profit after tax		802,075	526,033

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 Unaudited: £Nil).

The notes on pages 16 to 37 form part of these financial statements.

AIR IT LIMITED
REGISTERED NUMBER:05543898

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £	31 August 2019 Unaudited £
Fixed assets			
Intangible assets	15	304,640	456,960
Tangible assets	16	367,491	1,074,783
Investments	17	5,564,324	-
		<u>6,236,455</u>	<u>1,531,743</u>
Current assets			
Stocks	18	132,129	123,139
Debtors: amounts falling due within one year	19	2,127,553	661,579
Cash at bank and in hand	20	678,026	642,676
		<u>2,937,708</u>	<u>1,427,394</u>
Creditors: amounts falling due within one year	21	<u>(6,735,910)</u>	<u>(1,617,925)</u>
Net current liabilities		(3,798,202)	(190,531)
Total assets less current liabilities		2,438,253	1,341,212
Creditors: amounts falling due after more than one year	22	(967,320)	(574,181)
Provisions for liabilities			
Deferred tax	26	(69,823)	(74,196)
		<u>(69,823)</u>	<u>(74,196)</u>
Net assets		<u>1,401,110</u>	<u>692,835</u>

AIR IT LIMITED
REGISTERED NUMBER:05543898

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £	31 August 2019 Unaudited £
Capital and reserves			
Called up share capital	27	300	300
Share premium account	28	24,729	24,729
Profit and loss account	28	1,376,081	667,806
		<u>1,401,110</u>	<u>692,835</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
29 September 2021

Jonathan Hardy

J S Hardy
Director

The notes on pages 16 to 37 form part of these financial statements.

AIR IT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 September 2018 Unaudited	300	24,729	360,773	385,802
Comprehensive income for the year				
Profit for the year	-	-	526,033	526,033
Total comprehensive income for the year	-	-	526,033	526,033
Dividends: Equity capital	-	-	(219,000)	(219,000)
Total transactions with owners	-	-	(219,000)	(219,000)
At 1 September 2019 Unaudited	300	24,729	667,806	692,835
Comprehensive income for the 16 months period				
Profit for the 16 months period	-	-	802,075	802,075
Total comprehensive income for the 16 months period	-	-	802,075	802,075
Dividends: Equity capital	-	-	(93,800)	(93,800)
Total transactions with owners	-	-	(93,800)	(93,800)
At 31 December 2020	300	24,729	1,376,081	1,401,110

The notes on pages 16 to 37 form part of these financial statements.

AIR IT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

	16 months Period ended 31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Cash flows from operating activities		
Profit for the financial 16 months period	802,075	526,033
Adjustments for:		
Amortisation of intangible assets	152,320	114,240
Depreciation of tangible assets	206,167	129,233
Taxation charge	300,424	44,643
RDEC credit	(62,508)	-
(Increase) in stocks	(8,990)	(80,937)
(Increase) in debtors	(1,465,974)	(139,362)
Increase in creditors	1,327,053	329,898
Interest payable and other expenses	79,425	28,145
Net cash generated from operating activities	1,329,992	951,893
Cash flows from investing activities		
Disposal of Fixed Assets	641,771	1,272
Fixed asset additions	(140,658)	(294,387)
Increase in investments	(5,564,324)	-
Net cash from investing activities	(5,063,211)	(293,115)
Cash flows from financing activities		
Repayment of bank debt	(257,400)	-
Interest paid	(79,425)	(28,145)
Dividends paid	(93,800)	(219,000)
Receipts from group undertakings	4,199,194	-
Net cash used in financing activities	3,768,569	(247,145)

AIR IT LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

	31 December 2020 £	<i>31 August 2019 £</i>
Net increase in cash and cash equivalents	35,350	<i>411,633</i>
Cash and cash equivalents at beginning of 16 months period	642,676	<i>231,043</i>
Cash and cash equivalents at the end of 16 months period	678,026	<i>642,676</i>
Cash and cash equivalents at the end of 16 months period comprise:		
Cash at bank and in hand	678,026	<i>642,676</i>
	678,026	<i>642,676</i>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 7, Interchange 25 Business Park, Bostocks Lane, Nottingham, NG10 5QG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 September 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the 16 months period in which they are incurred.

2.8 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the 16 months period comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 statement of financial position 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 reporting date.

2.10 Exceptional items

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

2.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the statement of comprehensive income over its useful economic life ranging between 5 to 10 years.

Other intangible assets

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

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

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.12 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the following method:

Freehold property	-	2% Straight line
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	33% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 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.

2.16 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.17 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.

2.18 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 profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.19 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, amounts due/from group and associated undertakings, cash at bank and in hand and accruals.

Financial instruments that are payable or receivable within one year are measured initially and subsequently at the undiscounted amount of cash and other considerations expected to be paid or received. Financial instruments that are payable or receivable for more than one year are initially measured at the present value of future cash flows and subsequently at amortised cost using the effective interest method.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

2.20 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.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.21 Going concern

For Going Concern, Air IT Limited which is headed by Koru Topco Limited 'the Group' is considered as a whole. The Directors have reviewed the future trading and cash flow forecasts out to December 2022. Key sensitivities of client renewal rates, new client generation and uncontrolled operational costs have been considered to determine what results are likely and what is feasible. The Group has a stable, substantial customer base with no reliance on any one customer and has net cash resources. The Group is funded by bank debt, loan notes and shares, which are not due for repayment within the next 12 months, The Directors therefore do not expect the need for additional funding.

After reviewing the Group's forecasts and projections, the directors have an expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

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

Certain of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation uncertainty is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Judgements in applying accounting policies:

The directors must judge whether all of the conditions required for turnover to be recognised in profit and loss of the financial year, as set out in note 2.2 above, have been met. The directors have assessed the carrying value of tangible fixed assets as further detailed in note 2.12 and have concluded that no impairment is required. The directors must judge whether all of the conditions required for recognition of contingent consideration as a liability have been met and make the best estimate of the amount of contingent consideration which is expected to be settled.

Sources of estimation uncertainty:

Depreciation rates are based on estimates of the useful lives and residual values of the assets involved, see note 2.12.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

4. Turnover

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

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Turnover	11,823,235	7,023,692

Analysis of turnover by country of destination:

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
United Kingdom	11,823,235	7,023,692
	11,823,235	7,023,692

5. Other operating income

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Other operating income	-	8,000
Net rents receivable	32,018	56,847
Sundry income	39,409	-
	71,427	64,847

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

6. Operating profit

The operating profit is stated after charging:

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Depreciation of tangible assets	206,167	129,233
Amortisation of intangible assets	152,320	114,240
Other operating lease rentals	216,781	145,583
Pension costs	123,667	80,764
	<u> </u>	<u> </u>

7. Auditor's remuneration

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	18,000	-
	<u> </u>	<u> </u>
Fees payable to the company's auditor and its associates in respect of:		
Accounts production	625	-
Transaction services	96,820	-
	<u> </u>	<u> </u>
	<u>97,445</u>	<u>-</u>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

8. Employees

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

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Wages and salaries	3,223,766	1,863,470
Social security costs	314,575	179,615
Cost of defined contribution scheme	123,667	80,673
	<u>3,662,008</u>	<u>2,123,758</u>

The average monthly number of employees, including the directors, during the 16 months period was as follows:

	16 months period ended 31 December 2020 No.	<i>Year ended 31 August 2019 Unaudited No.</i>
Employees	<u>79</u>	<u>62</u>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

9. Directors' remuneration

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Directors' emoluments	429,378	178,875
Company contributions to defined contribution pension schemes	25,166	26,068
	454,544	204,943

During the 16 months period retirement benefits were accruing to 5 directors (*2019 Unaudited: 5*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £352,998 (*2019 Unaudited: £105,790*).

10. Income from shares in group undertakings

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Dividend income	-	154,362

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

11. Interest payable and similar expenses

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Bank interest payable	7,151	16,617
Other loan interest payable	22,906	-
Finance leases and hire purchase contracts	49,368	11,537
	<u>79,425</u>	<u>28,154</u>

12. Taxation

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Corporation tax		
Current tax on profits for the year	304,797	44,663
	<u>304,797</u>	<u>44,663</u>
Total current tax	<u>304,797</u>	<u>44,663</u>
Deferred tax		
Origination and reversal of timing differences	(4,373)	-
Total deferred tax	<u>(4,373)</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>300,424</u>	<u>44,663</u>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

12. Taxation (continued)**Factors affecting tax charge for the 16 months period/year**

The tax assessed for the 16 months period is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Profit on ordinary activities before tax	1,102,499	570,696
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	209,475	108,432
Effects of:		
Fixed asset differences	19,757	<i>(40,518)</i>
Expenses not deductible for tax purposes	62,463	<i>(23,251)</i>
Remeasurement of deferred tax for changes in tax rate	8,729	<i>-</i>
Total tax charge for the 16 months period/year	300,424	44,663

13. Dividends

	31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Dividends paid	93,800	219,000

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

14. Exceptional items

	16 months period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>
Exceptional items	154,998	-

Exceptional items for the year pertain to a bonus paid for deals finalised in the current year.

15. Intangible assets

	Goodwill £
Cost	
At 1 September 2019 Unaudited	571,200
At 31 December 2020	571,200
Amortisation	
At 1 September 2019 Unaudited	114,240
Charge for the period	152,320
At 31 December 2020	266,560
Net book value	
At 31 December 2020	304,640
<i>At 31 August 2019 Unaudited</i>	<i>456,960</i>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

16. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 September 2019 Unaudited	630,344	277,100	509,855	1,417,299
Additions	-	-	140,658	140,658
Disposals	(630,344)	(127,841)	(39,965)	(798,150)
At 31 December 2020	-	149,259	610,548	759,807
Depreciation				
At 1 September 2019 Unaudited	62,680	70,722	209,114	342,516
Charge for the period	3,291	46,458	156,418	206,167
Disposals	(65,971)	(53,841)	(36,555)	(156,367)
At 31 December 2020	-	63,339	328,977	392,316
Net book value				
At 31 December 2020	-	85,920	281,571	367,491
<i>At 31 August 2019 Unaudited</i>	<i>567,664</i>	<i>206,378</i>	<i>300,741</i>	<i>1,074,783</i>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

17. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	5,564,324
At 31 December 2020	<u>5,564,324</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Holding
MTL Technology Limited	Unit 7, Interchange 25 Business Park, Bostocks Lane, Sandiacre, Nottingham, England, NG10 5QG	Information technology consultancy activities	100%
Upstream Group Limited	Unit 7, Interchange 25 Business Park, Bostocks Lane, Sandiacre, Nottingham, England, NG10 5QG	Information technology consultancy activities	100%
Nexus GS Limited	Unit 7, Interchange 25 Business Park, Bostocks Lane, Sandiacre, Nottingham, England, NG10 5QG	Information technology consultancy activities	100%

18. Stocks

	Period ended 31 December	<i>31 August 2019</i>
	2020	<i>Unaudited</i>
	£	£
Finished goods and goods for resale	<u>132,129</u>	<u>123,139</u>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

19. Debtors

	Period ended 31 December 2020 £	31 August 2019 Unaudited £
Trade debtors	925,684	546,343
Amounts due from group undertakings	1,050,951	-
Other debtors	17,645	34,724
Prepayments and accrued income	133,273	80,512
	<u>2,127,553</u>	<u>661,579</u>

20. Cash and cash equivalents

	Period ended 31 December 2020 £	31 August 2019 Unaudited £
Cash at bank and in hand	678,026	642,676

21. Creditors: Amounts falling due within one year

	Period ended 31 December 2020 £	31 August 2019 Unaudited £
Bank loans and overdrafts	-	70,850
Trade creditors	493,826	508,603
Amounts owed to group undertakings	4,500,000	300,806
Corporation tax	242,289	-
Other taxation and social security	368,929	236,547
Obligations under finance lease and hire purchase contracts	67,351	47,074
Other creditors	4	-
Accruals and deferred income	1,063,511	454,045
	<u>6,735,910</u>	<u>1,617,925</u>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

21. Creditors: Amounts falling due within one year (continued)

Obligations under finance lease and hire purchase agreements are secured on the assets concerned.

Included within accruals is a balance of £1,255,386 relating to contingent consideration for the subsidiaries acquired within the year, £880,075 of which is falling due after more than one year.

22. Creditors: Amounts falling due after more than one year

	Period ended 31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Bank loans	-	186,550
Obligations under finance leases and hire purchase contracts	87,245	153,443
Other creditors	-	234,188
Accruals and deferred income	880,075	-
	<u>967,320</u>	<u>574,181</u>

Obligations under finance lease and hire purchase agreements are secured on the assets concerned.

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2019 *Unaudited: £234,188*) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

23. Loans

Analysis of the maturity of loans is given below:

	31 December 2020 £	<i>31 August 2019 £</i>
Amounts falling due within one year		
Bank loans	-	70,850
Amounts falling due after more than one year		
Bank loans	-	186,550
	<u>-</u>	<u>257,400</u>

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

24. Hire purchase and finance leases

Minimum lease payments under finance leases fall due as follows:

	Period ended 31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Within one year	67,351	47,074
Between 1-2 years	42,947	-
Between 2-5 years	44,297	153,443
	<u>154,595</u>	<u>200,517</u>

25. Financial instruments

	Period ended 31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Financial assets		
Cash balances	678,026	642,676
Other financial assets measured at amortised cost	993,329	581,067
	<u>1,671,355</u>	<u>1,223,743</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(5,430,106)</u>	<u>(1,427,880)</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise of trade creditors, intercompany, other creditors, finance leases and accruals.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

26. Deferred taxation

	2020 £	2019 £
At beginning of year	(74,196)	(74,196)
Movement during the year	4,373	-
At end of year	(69,823)	(74,196)

The provision for deferred taxation is made up as follows:

	Period ended 31 December 2020 £	31 August 2019 Unaudited £
Accelerated capital allowances	(69,823)	(74,196)

27. Share capital

	Period ended 31 December 2020 £	31 August 2019 Unaudited £
Allotted, called up and fully paid		
103 (2019: 103) Ordinary Class A shares of £1.00 each	103	103
158 (2019: 158) Ordinary Class B shares of £1.00 each	158	158
5 (2019: 5) Ordinary Class C shares of £1.00 each	5	5
5 (2019: 5) Ordinary Class D shares of £1.00 each	5	5
29 (2019: 29) Ordinary Class F shares of £1.00 each	29	29
	300	300

Class A and B shares have all rights attached, full voting, full equity and full dividend rights and are non-redeemable.

Class C to F shares are non-voting, non-equity with full dividend rights, and are non-redeemable.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

28. Reserves**Share premium account**

The share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

This includes all current and prior period retained profits and losses, net of dividends paid.

29. Analysis of net debt

	At 1 September 2019 Unaudited £	Cash flows £	New finance leases £	At 31 December 2020 £
Cash at bank and in hand	642,676	35,350	-	678,026
Debt due after 1 year	(186,550)	186,550	-	-
Debt due within 1 year	(70,850)	70,850	-	-
Finance leases	(200,517)	122,027	(76,106)	(154,596)
	<u>184,759</u>	<u>414,777</u>	<u>(76,106)</u>	<u>523,430</u>

30. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £123,667 (2019: £80,674). Contributions totalling £2,000 (2019: £Nil) were payable to the fund at the reporting date.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

31. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Period ended 31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Land and buildings		
Later than 1 year and not later than 5 years	432,250	596,917
	432,250	596,917
	Period ended 31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Other		
Not later than 1 year	6,757	-
Later than 1 year and not later than 5 years	46,087	83,194
	52,844	83,194

32. Related party transactions

During the period the company entered into the following transactions with related parties:

	Period ended 31 December 2020 £	<i>Year ended 31 August 2019 Unaudited £</i>	31 December 2020 £	<i>31 August 2019 Unaudited £</i>
Air - MSP Consultancy Ltd	31,834	47,544	-	31,834
Managed Business Communications Ltd	-	154,362	-	(2)
BioSpectrum Limited	2,452	-	59	-
	34,286	201,906	59	31,832

Mr T Mc Quilkin, Mr J Healey and Mr P Judge are directors and shareholders in Air - MSP Consultancy Ltd. Loans were made and repaid in the period for the net amounts shown above.

AIR IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTHS PERIOD ENDED 31 DECEMBER 2020**

33. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

		Balance brought forward £	Amounts repaid £	
2020				
Mr J Healey		4,104	(4,104)	
		<u> </u>	<u> </u>	
	<i>Balance brought forward £</i>	<i>Advances/ (credits) to the directors £</i>	<i>Amounts repaid £</i>	<i>Balance o/standing £</i>
2019 Unaudited				
Mr J Healey	5,780	-	(1,676)	4,104
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

34. Controlling party

The company was acquired by Koru Bidco Limited on 16 January 2020. Accordingly, Koru Bidco Limited is the immediate parent company.

The ultimate controlling entity is August Equity.