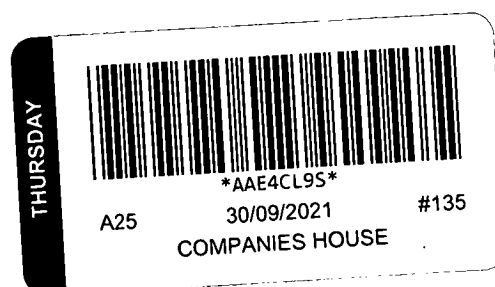


Registered number: 1280778

MANDER PORTMAN WOODWARD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



MANDER PORTMAN WOODWARD LIMITED

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MANDER PORTMAN WOODWARD LIMITED

COMPANY INFORMATION

Directors

S H Coles
M A McInroy
D Jones
A V A Thick

Registered number

01280778

Registered office

90-92 Queen's Gate
LONDON
SW7 5AB

Independent auditors

Bishop Fleming LLP
10 Temple Back
Bristol
BS1 6FL

Bankers

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

MANDER PORTMAN WOODWARD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Strategic Report on the company for the year ended 31 December 2020.

Principal activities

The company's business comprises three independent schools in London, Birmingham and Cambridge. These schools offer secondary education leading to GCSE and A level qualifications to both domestic and international students. A feature of the schools is that all class sizes are small. Students receive a high level of pastoral care and each school has been awarded the highest status possible in its latest school inspectors' report.

Business review

The directors are satisfied with the results for the year. Student numbers fell from those of the prior year because of the pandemic but the directors remain confident of continued long-term growth despite the changes in examination and student visa policies that have been brought into effect by the government in recent years, with the return to linear A levels and increased Tier IV visa compliance requirements. Details of the results for the year are included in the Directors' Report.

Principal risks and uncertainties

Economy and competition

The company's ability to recruit students both from overseas and from its main home markets could be affected by global or domestic economic downturns. Drop-out rates and bad debt provisions are a further risk from those students who are successfully recruited during difficult economic times. These risks are in part mitigated by the natural loyalty of parents when it comes to educating their children on long-term courses. Mander Portman Woodward Limited ("MPW") also maintains a high ratio of variable to fixed cost in its teaching resources, thus allowing the company to respond relatively quickly to downward changes in forecast turnover.

To the extent that the company recruits approximately one third of its students from overseas, including approximately one fifth from non-EU countries, it is subject to risks associated with the strength of foreign currencies, changes in the regulatory environment for visa sponsors, perceptions abroad of the degree to which international students are welcomed by the UK Government, breakdown of agency networks and other factors unique to overseas recruitment. The company seeks to mitigate these risks by, amongst other measures, investing in robust internal compliance audit mechanisms, strong agency relationships, personal visits by senior UK staff to overseas markets and by widening the range of countries from which we recruit students.

Brexit

The company does not expect the United Kingdom's departure from the European Union to affect its business materially. Students from the European Union made up just 6% of the total student body in the current year. It is expected that the United Kingdom will remain an attractive educational destination and that the numbers of students from the European Union will not reduce to any great extent. The company purchases no significant goods or services from the European Union save for marketing and advertising services from the international Search and social media companies, whose operations are carried out from Eire.

Business systems and infrastructure

In a people business involving face-to-face interaction on specialised sites, any major, unforeseen events affecting our ability to use our buildings could impact the delivery of our services. We ensure that adequate business interruption insurance is in place and that we keep up-to-date lists of as many alternative emergency teaching premises as possible. We use off-site hosting of IT systems wherever practicable.

Reputational risk

MPW's brand is one of the most trusted in the independent fifth and sixth-form college market. Any event that damages our reputation or brand could have adverse consequences for our ability to recruit students. The company devotes considerable management resource towards ensuring that our reputation is at the forefront of our considerations when taking both operational and strategic decisions.

MANDER PORTMAN WOODWARD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Risk associated with A level business

There are a number of risks and uncertainties associated with the retake segment of the company's A level business. In particular, any factor that makes university places easier to come by, including a reduction in demand for university places, can depress the retake market. Whilst the company believes that its popularity as a provider of mainstream GCSE and A level courses will continue to outweigh fluctuations in the retake market, there are always uncertainties associated with the pace of change in these two, largely independent marketplaces.

Disease and outbreak of pandemic

On 11 March 2020, the World Health Organisation declared the global coronavirus outbreak (COVID-19) a pandemic. From the beginning of the year, the spread of COVID-19 severely impacted many local economies around the globe. In many countries, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The company has been and will continue to be affected in several ways. The recruitment of international students has been hampered by an inability to travel to their home countries and their own reluctance to travel to the United Kingdom whilst disease is prevalent. Recruitment of domestic students proved more difficult after the cancellation of national examinations, the awarding of assessed grades generally higher than in previous years and the subsequent increased intake by English universities. Operationally, the company will face challenges providing both online and face to face tuition according to the level of disease and constraints and instructions from the government, such as lockdowns and social distancing. The company has maintained normal teaching operations throughout the period to date.

Financial key performance indicators

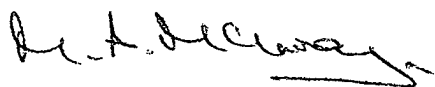
The key performance indicators of the company have been identified as turnover, operating profit and operating margin.

| | Year ended 31 December 2020 | Year ended 31 December 2019 | % increase/ (decrease) |
|------------------|-----------------------------------|-----------------------------------|---------------------------|
| Turnover | 25,815 | 29,620 | (12.8)% |
| Operating profit | 8,429 | 9,237 | (8.7)% |
| Operating margin | 32.6% | 31.2% | 1.4% |

Turnover reduced principally from the reduced student numbers from September 2020 whilst prices remained unchanged.

Non-financial key performance indicators for MPW also include measures such as student numbers and examination performance. College snapshot rolls at the time of the Department for Education January census were 824 in 2021 and 1,071 in 2020. Examination results were once again excellent for a group of academically non-selective colleges with over a third of all our A level examinations taken graded at A*/A, in line with previous years. More than half of all students leaving at the end of the academic year proceeded on to places at Russell Group universities.

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



M A McInroy
Director

MANDER PORTMAN WOODWARD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited financial statements for Mander Portman Woodward Limited ("MPW" or "the company") for the year ended 31 December 2020.

Results and dividends

The profit for the financial year after tax amounted to £6,986k (2019: £7,689k). The net assets in the business totalled £11,017k at 31 December 2020 (2019: £24,031k).

An interim dividend of £20,000k was paid during the year (2019: nil). The Directors do not recommend a payment of a final dividend (2019: nil).

Financial risk management

MPW has financial risk management procedures, administered through the finance department under the direction of the Directors. The main financial risks and mitigations of those risks are as follows:

- a) Credit risk – MPW does not consider itself to be exposed to material credit risk due to the diverse nature of its customers. MPW has effective credit management procedures administered by a credit control team.
- b) Foreign currency risk – MPW is exposed to transactional foreign exchange risk. MPW mitigates this risk by pricing and requiring payment solely in United Kingdom sterling. The risk attached to liabilities incurred in foreign currencies is small and managed through appropriate treasury procedures.
- c) Liquidity risk – Liquidity risk is low because MPW generates substantial cash balances on its own account with appropriate procedures to manage these balances in conjunction with its parent and subsidiary companies. There is no commercial borrowing.
- d) Interest rate risk – MPW does not consider itself exposed to material interest rate risk.
- e) Price risk – MPW is not materially exposed to price risk because activity is spread over a wide range of suppliers and customers.

Directors

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

N W K Stout (Resigned: 24 April 2020)
S H Coles
M A McInroy
D Jones
A V A Thick

Employee engagement

MPW remains committed to providing a positive and motivating work culture for all employees. The company has a well-established structure for communicating and listening to its employees through a variety of channels, including internal publications, briefings, group-wide emails, the company intranet, employee meetings and engagement surveys.

The group systematically provides its employees with information on matters of concern to them, such as trading updates and business strategy, as well as consulting with its employees and inviting their views on matters that are likely to affect their interests. The directors have visibility of and fully support the group's employee engagement strategy.

Disabled employees

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Arrangements are made, wherever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

Political Donations

During the year, no political donations were made (2019: none)

MANDER PORTMAN WOODWARD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Qualifying third party indemnity provisions

MPW has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Future developments

Student numbers were similar to the prior year and the directors remain confident of continued long-term growth despite the changes in examination and student visa policies that have been brought into effect by the government in recent years. Details of the results for the year are included in the Directors' Report.

In the short and medium term, the pandemic will affect both the number of students who attend the company's colleges and those who attend revision courses from other institutions. This will depress revenue and profitability for the academic years beginning in September 2020 and September 2021. The directors have prepared forecasts covering various eventualities and remain confident that the company will continue to be a profitable enterprise under all likely scenarios.

Going concern

The company's business activities and aims are set out within this report. The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. It has also received Letters of Support from a parent company, Graham Holdings Company (the ultimate parent company) guaranteeing payment of any intercompany debts due to the company and assistance in meeting liabilities if the company cannot do so from its own resources for a minimum period of 12 months from the date of signing of the financial statements. After making enquiries, including from other members of the wider group of companies of which the company is a member, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and 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 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 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 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 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.

MANDER PORTMAN WOODWARD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' confirmations

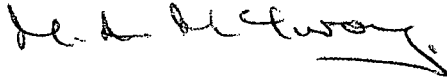
In the case of each director in office at the date the Directors' Report is approved:

- 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 been 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.

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

Re-appointment of auditors

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.



M A McInroy
Director

MANDER PORTMAN WOODWARD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANDER PORTMAN WOODWARD LIMITED

Opinion

We have audited the financial statements of Mander Portman Woodward Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

MANDER PORTMAN WOODWARD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANDER PORTMAN WOODWARD LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, 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 director either intends 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 are detailed below. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries, and these were identified as the greatest potential area for fraud.

MANDER PORTMAN WOODWARD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANDER PORTMAN WOODWARD LIMITED (CONTINUED)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included compliance with Health and Safety regulations; UK Visa Immigration, Safeguarding and GDPR; Company law; and tax and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Bishop Fleming LLP

Craig Sullivan FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 30/09/2021

MANDER PORTMAN WOODWARD LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Note | Year ended 31 December 2020 | Year ended 31 December 2019 |
|--|------|-----------------------------------|-----------------------------------|
| | | £'000 | £'000 |
| Turnover | 4 | 25,815 | 29,620 |
| Cost of sales | | <u>(13,779)</u> | <u>(15,065)</u> |
| Gross profit | | 12,036 | 14,555 |
| Administrative expenses | | (3,920) | (5,318) |
| Other operating income | | <u>313</u> | <u>-</u> |
| Operating profit | 5 | 8,429 | 9,237 |
| Interest receivable and similar income | 8 | 257 | 266 |
| Interest payable and similar expenses | 9 | <u>(30)</u> | <u>(39)</u> |
| Profit before tax | | 8,656 | 9,464 |
| Tax on profit | 10 | <u>(1,670)</u> | <u>(1,775)</u> |
| Profit for the financial year | | <u>6,986</u> | <u>7,689</u> |
| Other comprehensive income for the year | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the financial year | | <u>6,986</u> | <u>7,689</u> |

MANDER PORTMAN WOODWARD LIMITED

REGISTERED NUMBER: 1280778

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

| | Note | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|------|---------------------------------|---------------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 850 | 1,120 |
| Investments | 12 | 100 | 100 |
| | | <u>950</u> | <u>1,220</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 13 | 27,792 | 42,552 |
| Cash at bank and in hand | 14 | 46 | 1,312 |
| | | <u>27,838</u> | <u>43,864</u> |
| Creditors: amounts falling due within one year | 15 | (17,075) | (20,475) |
| Net current assets | | <u>10,763</u> | <u>23,389</u> |
| Total assets less current liabilities | | <u>11,713</u> | <u>24,609</u> |
| Creditors: amounts falling due after more than one year | 16 | (166) | (200) |
| Provisions for other liabilities | 19 | (530) | (378) |
| | | <u>11,017</u> | <u>24,031</u> |
| Net assets | | <u>11,017</u> | <u>24,031</u> |
| Capital and reserves | | | |
| Called up share capital | 20 | 15 | 15 |
| Retained earnings | | <u>11,002</u> | <u>24,016</u> |
| Total equity | | <u>11,017</u> | <u>24,031</u> |

The notes on pages 13 to 28 form part of these financial statements.

The financial statements on pages 10 to 28 were approved and authorised for issue by the board and were signed on its behalf on 29 September 2021 by:



M A McInroy
Director

MANDER PORTMAN WOODWARD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Called up share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|--|-------------------------------------|-------------------------------|-----------------------|
| At 1 January 2019 | 15 | 16,327 | 16,342 |
| Profit for the financial year | - | 7,689 | 7,689 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the financial year | - | 7,689 | 7,689 |
| Dividends | - | - | - |
| At 31 December 2019 | 15 | 24,016 | 24,031 |

| | Called up share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|--|-------------------------------------|-------------------------------|-----------------------|
| At 1 January 2020 | 15 | 24,016 | 24,031 |
| Profit for the financial year | - | 6,986 | 6,986 |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive income for the financial year | - | 6,986 | 6,986 |
| Dividends | - | (20,000) | (20,000) |
| At 31 December 2020 | 15 | 11,002 | 11,017 |

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Mander Portman Woodward Limited (the "company") is a private company limited by shares, registered and incorporated in the United Kingdom and registered in England. The company's registered office is 90-92 Queen's Gate, London, SW7 5AB. The activity of the company is the provision of secondary education through its three colleges.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and The Companies Act 2006.

The accounting policies have been applied consistently.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. These areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following principal accounting policies have been applied consistently in the preparation of these financial statements:

2.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future. The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. It has also received letters of support from a parent company, Graham Holdings Company (the ultimate parent company) guaranteeing payment of any intercompany debts due to the company and assistance in meeting liabilities if the company cannot do so from its own resources for a minimum period of 12 months from the date of signing of the financial statements. After making enquiries, including from other members of the wider group of companies of which the company is a member, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company financial statements.

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of Graham Holdings Company, the company's ultimate parent, which are publicly available.

The company has taken advantage of the following exemptions in its individual financial statements:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and the end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- (iii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102 and;
- (iv) Non-disclosure of transactions or balances with entities that are part of the group or investments of the group qualifying as related parties where 100% of the company's voting rights are controlled within the group. This is a requirement under FRS 102.33.1A.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2. Accounting policies (continued)

2.4 Turnover

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents the amount charged for tuition and other services provided. Revenue associated with all transactions is recognised with reference to the stage of completion at the statement of financial position date when the outcome of each transaction can be estimated reliably. Such outcome can be estimated reliably when the following conditions are satisfied; the revenue can be measured reliably, the economic benefits will flow to the company, the stage of completion at the statement of financial position date can be measured reliably and the costs to the company can be measured reliably.

Turnover in the form of fees for tuition and other services, in relation to courses delivered during the year, is recognised evenly over the period of the relevant course. At the statement of financial position date, the company has invoiced all services for the preceding 12 months. Deferred revenue represents amounts invoiced for which the service will be provided in future periods.

2.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation is provided on the following basis:

| | |
|-------------------------------|----------------------------|
| Short-term leasehold property | - over life of the lease |
| Fixtures and fittings | - over five to ten years |
| Office equipment | - over three to five years |

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2.6 Investments

Investments in subsidiary companies are stated at cost less provision for impairment.

2.7 Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2. Accounting policies (continued)

2.7 Leases (continued)

ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

2.8 Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognized as an expense in the period in which the service is received.

ii) Defined contribution pension plans

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 recognized as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

iii) Annual bonus plan

The company operates an annual bonus plan for certain employees. An expense is recognized in the statement of comprehensive income when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.9 Current and deferred taxation

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2. Accounting policies (continued)

2.10 Dilapidation provision

Provision for dilapidations represent the expected costs that will be incurred on the expiry of the lease term and a corresponding asset is recognised which is amortised over the duration of the lease. Dilapidations costs are provided at the present value of the expenditure expected to settle the obligation. Estimated future costs of dilapidation are reviewed regularly and adjusted as appropriate for new circumstances. Changes in estimates are capitalised or reversed against the leasehold costs. Estimates are discounted at a pre-tax rate that reflects current market assessment of the time value of money.

2.11 Consolidation

The financial statements present information about the company as an individual undertaking and not about it as a group. The company is exempt from the requirement to prepare group financial statements by virtue of Section 400 of the Companies Act 2006. The results of the company, together with its subsidiary companies are included in the consolidated statements of Graham Holdings Company, the ultimate parent company.

2.12 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.

2.13 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.

2.14 Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments

i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognized. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2. Accounting policies (continued)

2.14 Financial instruments (continued)

ii) **Financial liabilities**

Basic financial liabilities, including trade and other payables and loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

iii) **Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

2.15 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.

2.16 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'net interest income/(expense)'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'administrative expenses'.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.20 Impairment of non-financial assets

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognized revaluation. Thereafter any excess is recognized in profit or loss.

In an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) has no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of short-term debtor balances is accounted for based on the status of the students, whether the amounts owed in relation to students have been guaranteed by sponsors and whether there are any market or financial conditions which could result in non-payment. These reviews are conducted during the financial year and at the Statement of Financial Position date and provision for impairments are based on market information and historic trends. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as technological innovation, product life cycles and maintenance programmes.

The Company is engaged in a lease arrangement of premises. As part of the lease arrangement, the company is responsible for the cost of replacing, reinstalling or rectifying the assets where there is a present contractual or statutory requirement. Where settlement of these obligations is considered probable, amounts are recorded in provisions.

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability. Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

4. Turnover

Turnover is attributable to the principal activity of the company, the operation of independent fifth and sixth form colleges. All turnover arose within the United Kingdom.

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|--------------|--|--|
| Tuition fees | 25,815 | 29,620 |

5. Operating profit

The operating profit is stated after charging:

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|--|--|--|
| Depreciation of tangible fixed assets (refer note 11) | 418 | 456 |
| Foreign exchange losses | 21 | 11 |
| Operating lease rentals | 1,544 | 1,507 |
| Bad debts written off or provided for | 158 | 74 |
| Auditors' remuneration | | |
| - Fees payable to the company's auditors in respect of the audit of the company's financial statements | 35 | 62 |
| - Fees payable to the company's auditors in respect of the audit of subsidiary's financial statements | 16 | 27 |

MANDER PORTMAN WOODWARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

6. Staff costs

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

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|-------------------------------------|--|--|
| Wages and salaries | 9,017 | 9,804 |
| Social security costs | 944 | 1,047 |
| Other pension costs (refer note 22) | 242 | 235 |
| | <u>10,203</u> | <u>11,086</u> |

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

| | Year ended 31 December 2020 No. | Year ended 31 December 2019 No. |
|----------------------------|--|--|
| Teaching staff | 199 | 225 |
| Administration and support | 104 | 107 |
| | <u>303</u> | <u>332</u> |

7. Directors' remuneration

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|---|--|--|
| Remuneration | 542 | 1,032 |
| Company contributions to defined contribution pension schemes | 10 | 10 |
| | <u>552</u> | <u>1,042</u> |

During the year retirement benefits were accruing to two directors (2019: two) in respect of defined contribution pension schemes. The highest paid director received remuneration of £276k (2019: £460k). Two directors (2019: two) received no remuneration for their services to the company (2019: £Nil) and were remunerated one by Aspect Education Limited and one by Kaplan International Colleges U.K. Limited, both group companies. Details of their remuneration can be found in the above companies' financial statements. It is not possible to make an appropriate apportionment for the element of remuneration which relates to the company.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

8. Interest receivable and similar income

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|--|--|--|
| Interest on bank account balances | 3 | 14 |
| Interest on group undertaking balances | 254 | 252 |
| | <u>257</u> | <u>266</u> |

9. Interest payable and similar expenses

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|--|--|--|
| Unwinding of discount on dilapidations provision (refer note 19) | 30 | 37 |
| Other interest expenses | - | 2 |
| | <u>30</u> | <u>39</u> |

10. Tax on profit

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|--|--|--|
| Corporation tax | | |
| Current tax on profits for the year | 1,655 | 1,722 |
| Adjustments in respect of prior periods | 41 | 46 |
| Total current tax | <u>1,696</u> | <u>1,768</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (23) | 47 |
| Adjustments in respect of prior periods | (3) | (40) |
| Total deferred tax | <u>(26)</u> | <u>7</u> |
| Tax on profit | <u>1,670</u> | <u>1,775</u> |

MANDER PORTMAN WOODWARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|--|--|--|
| Profit before tax | <u>8,656</u> | <u>9,464</u> |
| Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | 1,645 | 1,798 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 1 | 2 |
| Other permanent differences | (1) | - |
| Expenses not deductible for tax purposes – fixed assets ineligible depreciation | 11 | - |
| Adjustments in respect of prior periods – corporation tax | 41 | 46 |
| Adjustments in respect of prior periods - deferred taxation | (3) | (40) |
| Impact of tax rate changes | (25) | (5) |
| Other adjustments | 1,655 | 13 |
| Group relief | <u>(1,654)</u> | <u>(39)</u> |
| Total tax charge for the year | <u><u>1,670</u></u> | <u><u>1,775</u></u> |

Factors affecting current and future tax charges

In March 2021, the Chancellor announced that the corporation tax rate from 1 April 2023 would increase to a maximum rate of 25%. Finance Act 2021 including this increase received Royal Assent on 10 June 2021.

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

11. Tangible assets

| | Short-term leasehold property £'000 | Fixtures and fittings £'000 | Office equipment £'000 | Total £'000 |
|---------------------------------|--|-----------------------------------|------------------------------|----------------|
| Cost | | | | |
| At 1 January 2020 | 1,886 | 786 | 1,904 | 4,576 |
| Additions | 26 | - | 122 | 148 |
| Disposals | (133) | (60) | (67) | (260) |
| At 31 December 2020 | 1,779 | 726 | 1,959 | 4,464 |
| Accumulated depreciation | | | | |
| At 1 January 2020 | 1,379 | 623 | 1,454 | 3,456 |
| Charge for the year | 100 | 58 | 260 | 418 |
| Disposals | (133) | (60) | (67) | (260) |
| At 31 December 2020 | 1,346 | 621 | 1,647 | 3,614 |
| Net book value | | | | |
| At 31 December 2020 | 433 | 105 | 312 | 850 |
| At 31 December 2019 | 507 | 163 | 450 | 1,120 |

MANDER PORTMAN WOODWARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

12. Investments

| | Investments in subsidiary companies £'000 |
|-----------------------|--|
| Cost | |
| At 1 January 2020 | 100 |
| At 31 December 2020 | <u>100</u> |
| Net book value | |
| At 31 December 2020 | <u>100</u> |
| At 31 December 2019 | <u>100</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the company during the year:

| Name | Country of incorporation | Class of shares | Holding | Activity |
|-------------------------------------|-------------------------------------|----------------------------|----------------|-----------------------|
| Kensington Student Services Limited | United Kingdom | Ordinary | 100% | Student accommodation |
| Justin Craig Education Limited | United Kingdom | Ordinary | 100% | Secondary education |

The registered office of Kensington Student Services Limited is Palace House, 3 Cathedral Street, London, SE1 9DE. The registered office of Justin Craig Education Limited is Tyttenhanger House, Coursers Road, St Albans, AL4 0PG.

The aggregate of the share capital and reserves as at 31 December 2020 and of the loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves 31 December £'000 | Loss for the year ended 31 December £'000 |
|-------------------------------------|--|--|
| Kensington Student Services Limited | (171) | (271) |
| Justin Craig Education Limited | <u>(279)</u> | <u>(347)</u> |

MANDER PORTMAN WOODWARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

13 Debtors: amounts falling due within one year

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|------------------------------------|------------------------------|------------------------------|
| Trade debtors | 4,232 | 5,626 |
| Amounts owed by group undertakings | 22,537 | 35,943 |
| Other debtors | 14 | 21 |
| Deferred tax asset (refer note 18) | 233 | 207 |
| Prepayments and accrued income | 776 | 755 |
| | <u>27,792</u> | <u>42,552</u> |

Trade debtors are stated after provision for impairment of £444k (2019: £353k). Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand except for one loan to Kaplan UK Limited of £6,719k (2019: £2,502k) and three loans to Kaplan, Inc. totalling £8,500k (2019: £8500k) which all bear interest of 12 month LIBOR plus 2%.

14 Cash at bank and in hand

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|--------------------------|------------------------------|------------------------------|
| Cash at bank and in hand | 46 | 1,312 |

15 Creditors: amounts falling due within one year

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|--|------------------------------|------------------------------|
| Trade creditors | 915 | 980 |
| Amounts owed to group undertakings | 2,259 | 2,125 |
| Corporation tax | 1,654 | 1,719 |
| Other taxation and social security | 537 | 559 |
| Refundable deposits received from students | 3,633 | 4,224 |
| Other creditors | 44 | 165 |
| Accruals and deferred income | 8,033 | 10,703 |
| | <u>17,075</u> | <u>20,475</u> |

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

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

16 Creditors: amounts falling due after more than one year

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|-----------------|------------------------------|------------------------------|
| Other creditors | 166 | 200 |

17 Financial instruments

| | Note | 31 December 2020 £'000 | 31 December 2019 £'000 |
|---|-------|------------------------------|------------------------------|
| Financial assets that are measured at fair value | | | |
| Cash at bank and in hand | 14 | 46 | 1,312 |
| Financial assets that are debt instruments that are measured at amortised cost | | | |
| Trade debtors | 13 | 4,232 | 5,626 |
| Amounts owed by group undertakings | 13 | 22,537 | 35,943 |
| Other debtors | 13 | 14 | 21 |
| | | <u>26,783</u> | <u>41,590</u> |
| Financial liabilities measured at amortised cost | | | |
| Trade creditors | 15 | 915 | 980 |
| Amounts owed to group undertakings | 15 | 2,259 | 2,125 |
| Other creditors | 15/16 | 44 | 165 |
| Refundable deposits received from students | 15 | 3,633 | 4,224 |
| Accruals | 15 | 586 | 1,139 |
| | | <u>7,437</u> | <u>8,633</u> |

18 Deferred tax asset

| | Year ended 31 December 2020 £'000 | Year ended 31 December 2019 £'000 |
|------------------------------|--|--|
| At the beginning of the year | 207 | 214 |
| Credit to profit or loss | 26 | (7) |
| At the end of the year | <u>233</u> | <u>207</u> |

MANDER PORTMAN WOODWARD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

18. Deferred tax asset (continued)

The deferred tax asset is made up as follows:

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|--------------------------------|------------------------------|------------------------------|
| Fixed asset timing differences | 126 | 84 |
| Short term timing differences | 107 | 123 |
| | <u>233</u> | <u>207</u> |

19 Provisions for liabilities

| | Provisions for dilapidations costs £'000 |
|---|---|
| At 1 January 2020 | 378 |
| Utilised during the year | - |
| Charged to statement of comprehensive income | 30 |
| Transferred from current liabilities where leases renewed in 2020 | 122 |
| At 31 December 2020 | <u>530</u> |

The provision for dilapidation costs relates to costs that are expected to be incurred when the corresponding lease expires. This is provided at the present value of the expenditure expected to settle the obligation. The earliest year when a lease expires is 2023.

20 Called up share capital

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|--|------------------------------|------------------------------|
| Allotted and fully paid | | |
| 15,000 (2019: 15,000) Ordinary shares of £1 each | <u>15</u> | <u>15</u> |

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

MANDER PORTMAN WOODWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

21 Dividend

The company declared an interim dividend of £20,000k (2019: £nil). The directors do not recommend the payment of a final dividend (2019: £nil).

22 Pensions

Defined contribution scheme

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in independently administered funds.

The charge to the statement of comprehensive income in respect of defined contribution schemes was £242k (2019: £235k).

23 Commitments under operating leases

At 31 December the company had future minimum lease payments under non-cancellable operation leases as follows:

| | 31 December 2020 £'000 | 31 December 2019 £'000 |
|-------------------------|------------------------------|------------------------------|
| Less than 1 year | 1,453 | 1,443 |
| Between 1 and 5 years | 6,169 | 5,699 |
| After more than 5 years | 5,572 | 6,428 |
| | <u>13,194</u> | <u>13,570</u> |

24 Controlling party

The immediate parent company is Kaplan International Holdings Limited.

The only group in which the results of the company are consolidated is that headed by the ultimate holding company and controlling party, Graham Holdings Company, which is incorporated in the U.S.A. Copies of its consolidated financial statement can be found online at: <http://www.ghco.com/static-files/8e179cbd-58a2-4c3c-b82c-6b3ebb491fe3>