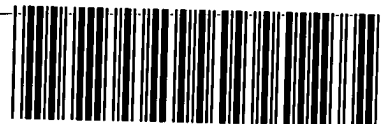


BPP ACTUARIAL EDUCATION LIMITED

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2022**

Registered number 02904358

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for the year ended 31 August 2022

Directors' Report

The directors submit their report together with their group strategic report and audited consolidated financial statements for the year ended 31 August 2022.

Results and dividends

The Consolidated Statement of Comprehensive Income for the year is set out on page 13. During the year the directors recommended and paid a dividend of £2,000,000 (2021: £3,000,000).

Matters covered in the Group Strategic Report

As permitted by Paragraph 1A of Schedule 8 to the large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters that are required to be disclosed in the Directors' Report have been omitted as they are included in the Group Strategic Report on page 6. These matters relate to the principal activity, business review, principal risks and uncertainties and key performance indicators.

Future developments

The focus for the group for the coming year is to continue to provide a high-quality tuition service for Fellowship and Apprenticeship students world-wide. No significant change is expected to student numbers in the medium term.

The ongoing economical environment, including Brexit, Covid-19 and the Russian invasion of Ukraine, has not had a significant impact on the trade of the company to date and the Directors expect this to continue, but the on-going situation will be monitored.

Directors and their interests

The Directors that served during the year and up to the date of signing the directors' report were:

Darrell Chainey
Alison Wells (resigned 1.12.22)
Graham Gaddes

Gary Dart
Tim Stewart
Joanna Preston-Taylor (appointed 1.12.22)

None of the directors had any interest in the shares of the company at 31 August 2022, or at any other time during the year. No rights to subscribe for shares in or debentures of the company of any company in the same group were granted or exercised during the year.

Creditor policy

It is the company's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with. The same policy is adopted for UK subsidiaries of the company.

The creditor days at 31 August 2022 were 5.04 days (31 August 2021: 2.73 days).

Going concern

The directors are satisfied that the group and company will continue in operational existence for the foreseeable future, including meeting all creditor payments as they fall due.

Current forecasts, financial position as well as student numbers support going concern. The period assessed is not less than 12 months from the approval of these accounts.

Students generally take 5-6 years to qualify and Level 7 apprentices 3-4 years. The overall combined result of this is that there is a strong pipeline of business explicitly or implicitly committed to studying with the Group for the short to medium term ie for the next 3-5 years.

Directors' Report continued

Going concern continued

The directors have also made enquires of the Directors of the parent company BPP Holdings Ltd.

Accordingly, the group and company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Energy and carbon reporting

The company's sources of greenhouse gas emissions and energy usage are reporting on as part of the BPP Holdings Limited group financial statements, which are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Auditor


Mazars LLP are deemed to be reappointed in accordance with an elective resolution made under Section 368(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

The report of the directors has been prepared in accordance with section 415A of the Companies Act 2006.

Statement of disclosure to auditor

So far as the directors are 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.

This report was approved by the Board on 29 March 2023
and signed on its behalf by


Darrell Chainey (Apr 6, 2023 16:05 GMT+1)

Darrell Chainey
Director

Statement of Directors' Responsibilities


The directors are responsible for preparing the Directors' Report, the Strategic 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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

This report was approved by the Board on 29 March 2023
and signed on its behalf by


Darrell Chainey (Apr 6, 2023 16:05 GMT+1)

Darrell Chainey
Director

Group Strategic Report

Principal activity

The principal activity of the group is the provision of education products and services for students taking the Associateship or Fellowship examinations of the Institute and Faculty of Actuaries in the UK as well as the Certified Actuarial Analyst qualification. The company also acts as a lead training provider for the Level 4 Actuarial Technician and Level 7 Actuary Apprenticeships in England.

Business review

Overall student numbers have been in line with previous years but there has been a rise in the number of apprenticeship students at both Level 4 and Level 7. This, together with a reduced impact of the global Covid-19 pandemic, with a gradual return to face-to-face teaching, has resulted in a small increase in revenue and profits.

Principal risks and uncertainties

The principal risk to the business is the potential impact from any new providers of training. However, in the opinion of the directors, the strength and reputation in the market mitigates this. There is also a risk of fewer students being recruited into trainee actuarial positions. However, given the average length of time to qualify, the impact on BPP ActEd is smoothed over a number of years and can be managed accordingly.

Section 172 (1) Statement

The directors, in line with their duties under section 172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, the directors have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and the environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging the section 172 duties, the directors have regard to the factors set out above. The directors also have regard to other factors they consider relevant to the decision being made. Those factors, for example, include the interests and views of the company's controlling parties. The directors acknowledge that every decision that is made will not necessarily result in a positive outcome for all the company's stakeholders. However, by considering the company's purpose, vision and values together with its strategic priorities and having a process in-place for decision-making, the directors aim to make sure their decisions are consistent and predictable.

Group Strategic Report con't

Section 172 (1) Statement continued

Strategic Reviews

The BPP group strategy is to deliver world-class experiences and outcomes for students and employers, accelerate organic growth of the company and improve the company's operating efficiency and effectiveness to maximise the value of the company's educational institutions. The directors are responsible for establishing and monitoring the implementation of the company's strategy, oversight of performance and risk management and setting a strong cultural foundation built around ethical values. The directors delegate authority for day-to-day management of the company to executive management and to senior management in overseeing execution of the business strategy and related policies. Regular meetings are held between senior executives and directors where performance, key developments and future strategy are discussed. The approach allows the company to be more efficient and effective in responding to local economic, political, regulatory and other market changes that impact the company. Further, this approach ultimately supports the company in achieving its strategy to maximise the value of its educational institutions for the company's investors.

Financial and operational performance

During the year, the directors review matters relating to a variety of areas, including, but not limited to, financial and operational performance, business strategy, key risks, governance, compliance and legal and regulatory matters. This is done through regular meetings and dialogue with senior management, and the consideration of reports and other supporting information. As part of this review process and through discussions with senior management, the directors contributed to the key activities carried out by the company during the year, including the implementation of strategies to mitigate the impact of COVID-19 on the company's business through the continuation of online course delivery.

Stakeholder Engagement

The company's key stakeholders include its investors, customers, employees and regulators, the communities in which the company operates and the partners and suppliers that the company works with.

The company's success is impacted by the way it conducts itself with these key stakeholders. As such, the views and impact of the company's activities on its stakeholders are an important consideration for the directors when making relevant decisions. For example, the directors regularly engage with employees through employee surveys to ascertain how involved and satisfied employees feel in their position. As a result, action is taken by senior management to make improvements, for example changing the employee appraisals system to enhance employee personal development. While there are cases where the directors determine that they should engage directly with certain stakeholder groups or on certain issues, the size of its stakeholders means that generally, the company's stakeholder engagement best takes place at an operational level. The company finds that this is a more efficient and effective approach, and also helps it achieve a greater positive impact on environmental, social and other issues.

The company strives to create a culture of collaboration and inclusion, and create an environment that ensures its employees have the requisite skills and resources needed to effectively complete their job and deliver value to the company's customers. The company is culturally diverse and recognises the importance of engaging employees to help make their fullest contribution to the company, which is fundamental to achieving the company's strategy. The company, as part of the BPP Holdings Limited group, leverages a number of different initiatives and tools in engaging with its employees, including offering learning, development and training courses, health and wellness programs, and other benefit programs.

Customer and supplier relationships

The company's customers are an integral component to achieving the company's strategic goals. The company strives to ensure that its customers are treated fairly and that customer feedback about the educational services provided by the company is taken into consideration. The company engages with its customers in a variety of ways, including, for example, through student groups and student surveys, such as satisfaction scores. The company has employees whose work is dedicated to the customer experience

for the year ended 31 August 2022

Group Strategic Report con't

Section 172 (1) Statement continued

and wellbeing, focusing on both corporate customers and individual student groups. Customers have access to tutor support outside of the classroom to access help if they need it. Specific teams are also in place in the company to work collaboratively with corporate customers and understand how the company can improve any elements of the product offerings or customer experience.

The company recognises the importance of fostering business relationships with its suppliers in order to meet strategic priorities, maximise efficiency and optimize costs. The company engages with suppliers on a regular basis through multiple communication channels to ensure suppliers are providing the goods and services as anticipated by the company and seeking feedback from suppliers, when applicable.

Environmental

Finally, the company also recognises its responsibility to reducing its environmental impact. The BPP Holdings Limited group reports environmental usage annually to its investors. The BPP group closely analyses its energy performance to understand usage trends, identify opportunities for reduction and recognize the impacts of its energy saving projects.

Future developments


The directors will continue to monitor the risks disclosed in the Strategic report. The current outlook for the company is positive. The Apprenticeship Levy continues to represent a significant market opportunity and should lead to an increase in training activity which the company needs to use their core competencies and experience to capitalise on.

Key performance indicators

	21-22	20-21
Core Course Sales (number of courses)	9,760	9,640
Teaching days	1,495	1,425
Marking sales (number of assignment series)	3,405	2,933
Operating profit margin	33.2%	33.0%
Percentage overseas revenue	13.8%	12.5%

The KPI's above show the slight increase in trade from our core business, primarily due to an increase in apprenticeship students and a phased return to face-to-face teaching.

This report was approved by the board on 29 March 2023 and signed on its behalf:


Darrell Chainey (Apr 6, 2023 16:05 GMT+1)

Darrell Chainey
Director

Independent Auditor's Report to the Members of BPP Actuarial Education Company Limited

Opinion

We have audited the financial statements of BPP Actuarial Education Company Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Company 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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.

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 directors with respect to going concern are described in the relevant sections 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 Directors' Report and the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities statement 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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. Based on our understanding of the group and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, non-compliance with implementation of government support schemes relating to COVID-19 and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loss reserves, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Our audit procedures in relation to fraud through revenue cut-off included but were not limited to:

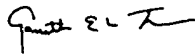
- Assessing management's revenue recognition policy; and
- Agreeing a sample of revenue transactions pre and post year end, to ensure they have been recognised in the appropriate period.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit 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.



Gareth Jones (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 12-Apr-2023

for the year ended 31 August 2022

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Turnover	3	8,987,413	8,521,174
Cost of sales		<u>(4,682,006)</u>	<u>(4,330,223)</u>
Gross profit		4,305,407	4,190,951
Administrative expenses		<u>(1,320,576)</u>	<u>(1,378,221)</u>
Operating profit	4	2,984,831	2,812,730
Interest receivable		<u>25,157</u>	<u>12,974</u>
Profit on ordinary activities before taxation		3,009,988	2,825,704
Tax on ordinary activities	6	<u>(476,782)</u>	<u>(556,096)</u>
Profit on ordinary activities after taxation		<u>2,533,206</u>	<u>2,269,608</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>2,533,206</u>	<u>2,269,608</u>

All business activities are continuing in nature.


The notes on pages 19 to 30 form an integral part of these financial statements.

for the year ended 31 August 2022

Consolidated Statement of Financial Position

		2022		2021	
		£	£	£	£
	Notes				
FIXED ASSETS					
Tangible assets	8		-		-
CURRENT ASSETS					
Stock	9	26,195		47,915	
Debtors	10	1,133,682		812,214	
Cash at bank and in hand		5,141,579		4,468,409	
		6,301,456		5,328,538	
CREDITORS: amounts falling due within one year	11	(2,296,692)		(1,856,980)	
NET CURRENT ASSETS			4,004,764		3,471,558
TOTAL ASSETS LESS CURRENT LIABILITIES			4,004,764		3,471,558
NET ASSETS			4,004,764		3,471,558
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss reserve			4,004,664		3,471,458
TOTAL SHAREHOLDERS' FUNDS			4,004,764		3,471,558

The financial statements on pages 13 to 30 were approved and authorised for use by the Board of Directors on 29 March 2023 and were signed on their behalf by:


Darrell Chainey (Apr 6, 2023 16:05 GMT+1)

Darrell Chainey
Director


The notes on pages 19 to 30 form part of these financial statements.

for the year ended 31 August 2022

Company Statement of Financial Position

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Investment in subsidiary	7		100		100
CURRENT ASSETS					
Debtors	10	859,744		537,544	
Cash at bank and in hand		<u>1,208,000</u>		<u>1,209,159</u>	
		2,067,744		1,746,703	
CREDITORS: amounts falling due within one year	11	<u>(573,121)</u>		<u>(440,259)</u>	
NET CURRENT ASSETS			<u>1,494,623</u>		<u>1,306,444</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,494,723		1,306,544
NET ASSETS			<u>1,494,723</u>		<u>1,306,544</u>
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss reserve			<u>1,494,623</u>		<u>1,306,444</u>
TOTAL SHAREHOLDERS' FUNDS			<u>1,494,723</u>		<u>1,306,544</u>

The financial statements on pages 13 to 30 were approved and authorised for use by the Board of Directors on 29 March 2023 and were signed on their behalf by:


Darrell Chainey (Apr 6, 2023 16:05 GMT+1)

Darrell Chainey
Director

The notes on pages 19 to 30 form part of these financial statements.

for the year ended 31 August 2022

Consolidated Statement of Cash Flow

	2022	2021
	£	£
Cashflows from operating activities		
Operating Profit for the financial year	2,984,831	2,812,730
Adjustments for:		
Depreciation	-	7,045
Decrease/(Increase) in stock	21,720	(2,191)
(Increase)/Decrease in receivables	(419,257)	889,991
Increase/(Decrease) in payables	82,466	(316,325)
UK Corporation tax paid	(21,747)	(669,416)
Net cash inflow from operating activities	2,648,013	2,721,834
Financing activities		
Interest received	25,157	12,974
Equity dividend paid	(2,000,000)	(3,000,000)
	(1,974,843)	(2,987,026)
Investing activities		
Purchase of tangible fixed assets	-	-
Net increase/(decrease) in cash and cash equivalents	673,170	(265,192)
Cash and cash equivalents at the beginning of the year	4,468,409	4,733,601
Cash and cash equivalents at the end of the year	5,141,579	4,468,409
Components of cash and cash equivalents		
Cash	5,141,579	4,468,409

for the year ended 31 August 2022

Consolidated Statement Of Changes In Equity**AT 31 AUGUST 2021**

	Share capital £	Profit and Loss Reserve £	Total equity £
At 1 September 2020	100	4,201,850	4,201,950
Comprehensive income for the year			
Profit for the year	-	2,269,608	2,269,608
Dividend paid	-	(3,000,000)	(3,000,000)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(730,392)	(730,392)
At 31 August 2021	100	3,471,458	3,471,558

AT 31 AUGUST 2022

	Share capital £	Profit and Loss Reserve £	Total equity £
At 1 September 2021	100	3,471,458	3,471,558
Comprehensive income for the year			
Profit for the year	-	2,533,206	2,533,206
Dividend paid	-	(2,000,000)	(2,000,000)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	533,206	533,206
At 31 August 2022	100	4,004,664	4,004,764

Profit & loss reserve

This reserve represents cumulative profits and losses less any dividends paid.

for the year ended 31 August 2022

Company Statement Of Changes In Equity**AT 31 AUGUST 2021**

	Share capital £	Profit and Loss Reserves £	Total equity £
At 1 September 2020	100	2,114,676	2,114,776
Comprehensive income for the year			
Profit for the year	-	2,191,768	2,191,768
Dividend paid	-	(3,000,000)	(3,000,000)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(808,232)	(808,232)
At 31 August 2021	100	1,306,444	1,306,544

AT 31 AUGUST 2022

	Share capital £	Profit and Loss Reserves £	Total equity £
At 1 September 2021	100	1,306,444	1,306,544
Comprehensive income for the year			
Profit for the year	-	2,188,179	2,188,179
Dividend paid	-	(2,000,000)	(2,000,000)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	188,179	188,179
At 31 August 2022	100	1,494,623	1,494,723

Profit & loss reserve

This reserve represents cumulative profits and losses less any dividends paid.

Notes to the Financial Statements

1. Accounting policies

(a) General information

BPP Actuarial Education Limited is a private limited company, limited by shares, domiciled in England and Wales and incorporated in UK, registration number 02904358. The registered office is BPP House, 142-144 Uxbridge Road, London, W12 8AA.

These financial statements have been presented in Pound Sterling (GBP) as this is the currency of the primary economic environment in which the Group operates. The financial statements have been rounded to the nearest whole pound.

The principal activity of the Group is the provision of training and educational services for the students taking the professional examinations of the Institute and Faculty of Actuaries.

(b) Compliance with Accounting Standards

These financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' ("FRS102") and applicable legislation as set out in the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In preparing these financial statements the Company has not taken advantage of any disclosure exemptions as permitted by FRS 102 paragraph 1.12.

(c) Going Concern

The directors are satisfied that the group and company will continue in operational existence for the foreseeable future, including meeting all creditor payments as they fall due.

Current forecasts, financial position as well as student numbers support going concern. The period assessed is not less than 12 months from the approval of these accounts.

Students generally take 5-6 years to qualify and Level 7 apprentices 3-4 years. The overall combined result of this is that there is a strong pipeline of business explicitly or implicitly committed to studying with the Group for the short to medium term ie for the next 3-5 years.

The directors have also made enquires of the Directors of the parent company BPP Holdings Ltd.

Accordingly, the group and company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(d) Taxation

The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Notes to the Financial Statements

1. Accounting policies (continued)

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Turnover represents the invoiced amount of goods and services provided during the year, stated net of value added tax. Amounts invoiced but unearned at the year end are treated as deferred revenue.

Sales of materials are recognised when the goods are shipped. Sales of marking and tutorial services are recognised as the services are provided.

Interest income is recognised as interest accrues using the effective interest rate method.

Notes to the Financial Statements

1. Accounting policies (continued)

(f) *Foreign currencies*

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date the transactions took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

(g) *Cash and cash equivalents*

Cash is represented by cash in hand and deposits and 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.

(h) *Investments*

Investments are measured at cost less accumulated impairment. Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

(i) *Financial Instruments*

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments, like accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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 profit and loss account.

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

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

Notes to the Financial Statements

1. Accounting policies (continued)

(j) *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the costs, less estimated residual value, of each asset evenly over its expected useful life.

Depreciation on leasehold property and capitalised leased equipment is provided on a straight line basis over the duration of the lease of 120 months.

In all cases depreciation is charged from the year of acquisition except for capitalised lease equipment.

(k) *Stocks*

Stocks which consist of study material are valued at the lower of printed cost and net realisable value. Stocks are valued using the FIFO method.

(l) *Operating lease commitments*

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

(m) *Pension Costs*

Contributions payable to the company's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the period to which they relate. At present the pension scheme is contributory and the Group matches employee contributions up to 5%.

(n) *Basis of consolidation*

The Consolidated Statement of Comprehensive Income and Statement of Financial Position include the financial statements of BPP Actuarial Education Company Limited and its subsidiary companies for the year ended 31 August 2020. Intra-group sales and profits are eliminated on consolidation.

BPP Actuarial Education Limited is exempt from publishing the parent's Statement of Comprehensive Income. The parent's results can be found in their Statement in Changes in Equity on page 18.

Notes to the Financial Statements

2. Critical accounting judgements and key sources of estimation uncertainty

In the opinion of management and the Directors, there are no critical judgements or key sources of estimation uncertainty in these financial statements.

3. Turnover

Turnover is attributable to one continuing activity, the provision of actuarial training.

An analysis of the Group's revenue by class and category of business is as follows:

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Sale of goods	3,746,466	3,690,479
Rendering of services	5,240,947	4,830,695
Total turnover	<u>8,987,413</u>	<u>8,521,174</u>

Turnover by geographic region of where the customer is based is as follows:

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
United Kingdom	7,747,395	7,460,191
European Union	562,662	414,716
North America	10,831	12,633
Africa	430,577	347,094
Other	235,948	286,540
Total turnover	<u>8,987,413</u>	<u>8,521,174</u>

Turnover includes £nil (2021: £14,071) of government grants received from the Covid-19 Job Retention Scheme.

4. Operating profit

Profit on ordinary activities before taxation is stated after charging the following items:

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Depreciation	-	7,045
Auditor's remuneration	28,200	27,800

In addition, the Actuarial Education Company Ltd paid the £13,200 (2021: £14,314) audit fees of Institute and Faculty Education Ltd.

for the year ended 31 August 2022

Notes to the Financial Statements**5. Directors and employees**

Staff costs during the period amounted to:	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Wages and salaries	3,060,296	2,914,780
Social security costs	333,149	283,039
Pension costs	192,249	186,060
	<u>3,585,694</u>	<u>3,383,879</u>

The average number of employees during the year was:	Year ended 31 August 2022 Number	Year ended 31 August 2021 Number
Tutors/coaches	40	38
Administration	<u>15</u>	<u>15</u>
	<u>55</u>	<u>53</u>

Directors' remuneration	£	£
Salary	146,617	138,534
Contribution to pension scheme	7,720	8,631
Aggregate emoluments	<u>154,337</u>	<u>147,165</u>

During the year 1 (2021: 1) director accrued benefits under the money purchase pension scheme.

Emoluments to key management personnel are considered to be the same as directors' remuneration.

for the year ended 31 August 2022

Notes to the Financial Statements**6. Taxation on results from ordinary activities**

	Year ended 31 August 2022 £	Year ended 31 August 2021 £
Corporation tax @ 19% (2021: 19%)		
Current year	432,641	431,363
Deferred tax	-	5,863
Prior years	44,141	118,870
	<u>476,782</u>	<u>556,096</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before tax	<u>3,009,988</u>	<u>2,825,704</u>
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporate taxation of 19% (2021: 19%)	<u>571,898</u>	<u>536,884</u>
Effects of:		
Deferred tax	-	5,863
Depreciation	(1,061)	(1,339)
Under/(over) provisions for prior years	44,141	118,870
Other tax adjustments	(138,196)	(104,182)
TOTAL	<u>(95,116)</u>	<u>19,212</u>
Current tax charge	<u>476,782</u>	<u>556,096</u>

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom would increase from 19% to 25%. Companies with profits of £50,000 or less would continue to be taxed at 19%, which was a new small profits rate. Where taxable profits were between £50,000 and £250,000, the higher 25% rate would apply but with a marginal relief applying as profits increased.

Notes to the Financial Statements

7. Investment in Subsidiary – Company

	Investment in Actuarial Education Company Limited
	£
Balance brought forward as at 1 September 2021	100
Balance as at 31 August 2022	<u>100</u>

The company owns 100% of the dividend paying and voting share capital of Actuarial Education Company Limited (incorporated in England and Wales) which is fully consolidated in the accounts. The principal activity of the subsidiary is the provision of training for students taking the professional examinations of the Institute of Actuaries and the Faculty of Actuaries.

All ordinary shares of Actuarial Education Company Limited carry one vote and are entitled to an equal share of any proceeds upon wind up of the company.

There is one special share of Actuarial Education Company Limited which carries no entitlement to vote, dividend, or any rights upon wind up of the company. However, the holder of the special share must consent in writing before one of the events detailed in 3 (ii) (e) of the Articles of Association can occur.

The relevant results for these investments, which are both included in the consolidated accounts are as follows (all subsidiaries year ends are coterminous):

	Share Capital and Reserves	Profit for the year
	£	£
Actuarial Education Company Limited	2,510,141	2,345,027

Actuarial Education is registered at the same address as the Company and has the same principal place of business.

Notes to the Financial Statements

8. Tangible fixed assets - Group

	Leasehold property improvements £
Cost:	
At 31 August 2021	67,354
Additions	-
Disposals	-
	<hr/>
At 31 August 2022	<u>67,354</u>
Depreciation:	
At 31 August 2021	67,354
Charge for the period	-
Disposals	-
	<hr/>
At 31 August 2020	<u>67,354</u>
Net book value:	
At 31 August 2021	<u>-</u>
Net book value:	
At 31 August 2022	<u>-</u>

9. Stock - Group

	2022 £	2021 £
Finished goods	<u>26,195</u>	<u>47,915</u>

Stock recognised in cost of sales during the year as an expenses was £374,865 (2021: £431,576).

An impairment loss of £nil (2021: £nil) as recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

for the year ended 31 August 2022

Notes to the Financial Statements**10. Debtors - Group**

	2022 £	2021 £
Amounts falling due within one year		
Trade debtors	249,764	247,219
Prepayments	2,383	2,118
Corporation tax refund	-	97,785
Accrued revenue	851,371	461,110
Owing from group undertakings	30,164	3,982
	<u>1,133,682</u>	<u>812,214</u>

Amounts owing from group undertakings are interest free, unsecured and repayable on demand.

Debtors – Company

	2022 £	2021 £
Amounts falling due within one year		
Accrued revenue	807,235	453,810
Corporation tax refund	37,459	81,600
Prepays	357	357
Trade debtors	14,693	1,777
	<u>859,744</u>	<u>537,544</u>

11. Creditors: amounts falling due within one year – Group

	2022 £	2021 £
Trade creditors	33,388	17,291
Amounts owing to group undertakings	646,828	630,190
Corporation tax	357,245	-
Other taxes and social security	181,381	141,349
Accruals and deferred revenue	1,077,850	1,068,150
	<u>2,296,692</u>	<u>1,856,980</u>

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

Notes to the Financial Statements

11. Creditors: amounts falling due within one year (continued) - Company

	2022 £	2021 £
Amounts owing to group undertakings	127,487	113,349
Trade creditors	2,803	3,140
Other taxes and social security	895	4,316
Accruals and deferred revenue	441,936	319,454
	<u>573,121</u>	<u>440,259</u>

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

12. Financial instruments

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	5,141,579	4,468,409
Trade receivables	249,764	247,219
Other receivables	32,546	6,189
Accrued revenue	851,371	461,110
	<u>6,275,260</u>	<u>5,182,927</u>

	2022 £	2021 £
Financial liabilities that are debt instruments measured at amortised cost		
Trade creditors	33,388	17,291
Other payables	828,209	232,010
	<u>861,597</u>	<u>249,301</u>

13. Share capital

	2022 £	2021 £
Allotted issued and fully paid		
1,000,000 ordinary shares of 0.01p each	<u>100</u>	<u>100</u>

All ordinary shares carry one vote and are entitled to an equal share of any proceeds upon winding up of the company.

Notes to the Financial Statements

14. Profits for the financial year.

As permitted by section 408 of the Companies Act 2006, the holding company's Statement of comprehensive income has not been included in these financial statements. The amount of profit after dividends dealt with in the holding company's Statement of comprehensive income/(loss) was £232,320 (2021: £(889,832)).

15. Related party transactions

Advantage has been taken of the exemption conferred by section 33 of FRS 'Related Party Disclosures' not to disclose transactions with fellow members of the BPP Actuarial Education Limited Group where 100% of the voting rights are controlled within the group.

£6,879,998 (2021: £6,873,854) of the turnover of the group comes from Institute and Faculty Education Ltd (IFE Ltd), a special shareholder of Actuarial Education Company Limited. Some of this income is from students originating outside the United Kingdom and has been included as non-UK turnover (see note 2 for details). IFE Ltd is the provider of training and educational services for students taking the professional examinations of the Institute and Faculty of Actuaries. IFE Ltd contracts out these services to the group. At 31 August 2021 the balance outstanding owed to the group by IFE Ltd was £237,836 (31 August 2021: £248,544).

16. Commitments under operating leases

At 31 August 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods.

	2022 £	2021 £
Not later than 1 year	51,800	84,000
Later than 1 year and not later than 5 years	-	133,000
Later than 5 years	-	-
	<u>51,800</u>	<u>217,000</u>

17. Guarantee

The banking facilities are secured by an unlimited inter-company guarantee between the companies within the BPP Holdings Ltd (formerly plc) group.

Glas Trust Corporation Limited (As Security Agent for the wider group) holds fixed and floating charges over the Group's Assets.

18. Parent undertaking and controlling party

In the opinion of the directors, the Company's ultimate parent company is Bright Topco Limited and the ultimate controlling party is a group of investment funds managed by TDR Capital LLP (registered in the UK). Bright Topco Limited is the largest and smallest group undertaking for which consolidated financial statements are prepared. Copies of the Group financial statements of Bright Topco Limited are available from BPP House, Aldine Place, 142-144 Uxbridge Road, Shepherd's Bush, W12 8AA. The Company's immediate controlling party is BPP Holdings Limited.

19. Defined contribution scheme

The group provides a defined contribution pension plan to its employees. The pension plan is administered by an external pension provider. The group is required to contribute a specified percentage of payroll costs to the scheme to fund the benefit and has no other obligation under the scheme other than to make the required contributions. Contributions of £192,249 (2021: £186,060) were paid during the year and no amounts were outstanding at year end (2021: none).