



# INTO University Partnerships Limited

Annual report for the year ended 31 July 2021

Registered number: 05507863

THE PARENT ACCOUNTS TO!

FRIARS 607 LIMITED (06885738)

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## Directors and advisers

### Directors

A J Colin  
J B Sykes  
S G Smale  
J T Leeds  
D S Eastwood  
C J Mairs

### Registered office

One Gloucester Place  
Brighton  
United Kingdom  
BN1 4AA

### Independent auditors

Grant Thornton UK LLP  
Chartered Accountants  
2nd Floor  
St Johns House  
Haslett Avenue West  
Crawley  
West Sussex  
RH10 1HS

# Strategic report for the year ended 31 July 2021

The directors present their strategic report on the group for the year ended 31 July 2021.

## Review of the business

*The principal activity of the group is the provision of educational, recruitment and marketing services for international students through subsidiary undertakings and in partnership via joint ventures with universities.*

The subsidiary and associated undertakings of the group are listed in Note 25 to the financial statements.

The principal activity of the company in the year under review was that of the provision of marketing, management and other corporate services including to the company's joint ventures and direct recruitment of students on behalf of partners and affiliates.

The INTO group specialises in large-scale long-term partnerships that support and drive leading universities' internationalisation goals. Increasingly INTO is also delivering growth through its direct entry business recruiting for university partners. Through these partnerships and contracts, INTO expands opportunities for students to pursue higher education, investing in the resources, systems, and processes to reach, recruit, retain and support international students through the provision of a first-class student experience either via one of its joint venture partners or a university partner.

Students with INTO benefit from university designed and delivered programmes, highly supportive learning environments and state-of-the-art learning and living spaces while enjoying full access to their host university's facilities, resources, and services. Universities benefit from access to resources and global reach beyond that which an individual institution could achieve on its own.

## Results and performance

In common with many businesses, the reduction in international student mobility due to COVID-19 significantly impacted operations and revenues globally. The group worked to transition all courses online in a short period of time and has continued to offer both online or in country education dependent on the location. The group remains debt free and entered the pandemic with strong cash reserves and so has been able to navigate through the disruption caused for example by the closure of visa offices, testing centres and the implementation of significant travel restrictions. The group implemented cash protection and cost saving measures to ensure that it mitigated some of the impact and enters the next financial year in a strong position despite the disruption that the temporary drop in international student mobility presents. As students continue to seek out new opportunities, albeit via a mixture of online and in person delivery, this report reflects on how the group, together with its partners, has responded to the changes.

The results of the group for the year, as set out on pages 19 to 24, show that overall performance for FY21 was significantly impacted by the COVID-19 pandemic but this was minimised due to the quick and decisive measures taken to respond. The results show turnover down 23% to £77,058k (2020: £100,456k). Management monitor and review the business on a constant foreign exchange basis including the group's share of joint venture performance. On this basis adjusted turnover is also down 40% to £119,309k (2020: £197,514k) and net EBITDA is down £36,361k to a loss of £14,638k (2020: profit of £21,723k). The group and share of joint ventures operating loss was down £30,628k from the prior year at a loss of £20,820k (2020: profit of £9,808k). The shareholders' funds for the group total £13,358k (2020: £35,742k).

The group has a £40m revolving credit facility with revised covenants to help to provide flexibility as required during the period. As at 31 July 2021 none of the facility was drawn.

**New partnership with the University of Western Australia**

Despite the challenging environment INTO continues to look to the future and as such INTO was delighted to announce a new partnership with the University of Western Australia to support the university with its UWA College proposition. This partnership will be recruiting from FY22 and we are confident that this new region for INTO will leave it well positioned to capitalise on its position as the pandemic eases.

**St Louis University strategic review**

Subsequent to the year end, INTO's shareholding in INTO SLU LLC increased to 100%. Consequently, the entity will be accounted for as a subsidiary in FY22.

**Newcastle University INTO London**

At the end of November 2020 INTO agreed to retire as a member of Newcastle University INTO London LLP and this was handed over to the university's ownership. INTO therefore disposed of its shareholding as at that date and recognised a profit on disposal of £3,958k in relation to this, which included a contribution towards the group's ongoing lease commitments in London.

**INTO Newcastle strategic review**

INTO's shareholding in INTO Newcastle University LLP increased in December 2020 by 1% to 51%. As a consequence, the entity is accounted for as subsidiary, with a 49% minority interest, from 1 December 2020.

**INTO Glasgow Caledonian University strategic review**

INTO and Glasgow Caledonian University (GCU) also made a decision to change the focus of the partnership to direct entry and as such no pathway programmes were offered via the joint venture after September 2020.

**Investing in systems and service**

In this period of change the group has continued to invest in areas that it believes will allow it to thrive in the long term. Investment in new technologies continues to be a key strategic focus for the coming year. It ensures we better serve our partners and students and enables us to drive our operating margins through a more detailed understanding of the student journey and student experience aligned with our core business values. As INTO drives increasing volumes from its direct entry business, with both joint venture partners and increasingly other university partners, systems development to support this growing area of the business is key and will be a focus over the next period.

**Office for Students**

INTO University Partnerships was registered in September 2020 with the Office for Students, as the new regulator in relation to its English centres. INTO University Partnerships must therefore apply the accounts direction published by the Office for Students in its accounts for year ending 31 July 2022 (as the first financial year ending more than 12 months from registration).

**Key performance indicators ("KPIs")**

The Board monitors progress against the company's strategy by reference to the following KPIs:

	2021 £'000	2020 £'000
Adjusted turnover *	119,309	197,514
Net EBITDA**	(14,638)	21,723
Adjusted EBITDA***	(6,567)	24,895
Underlying group and share of joint ventures operating profit	(22,881)	15,430
Student satisfaction****	94%	N/A
Cash	20,462	28,992

\* Adjusted turnover is calculated as statutory turnover plus the group's share of joint venture turnover. This helps INTO to ensure it is measuring the value we deliver to our Partners. Turnover is adjusted to remove discontinued operations and the prior year is presented at current year foreign exchange rates.

\*\* Net EBITDA is a metric used by management to assess the underlying performance of the business. This metric adjusts for non-coterminous year ends and other timing movements and is measured at current year foreign exchange and includes group and share of joint ventures.

\*\*\* Adjusted EBITDA. In addition to the adjustments above, this metric also adjusts for losses incurred for both new partnerships and products, one off items and board costs, which can distort profitability. This metric is also measured at current year foreign exchange and includes group and share of joint ventures.

\*\*\*\* This was not undertaken in the prior year due to COVID-19 making it difficult to run the survey.

	2021 £'000	2020 £'000
Turnover	77,058	100,456
Share of joint venture turnover	44,913	101,605
Adjust prior year at current year foreign exchange rates	-	(4,431)
Adjust for discontinued operations (see Strategic report)	(2,662)	(116)
Adjusted turnover (at constant foreign exchange rates)	119,309	197,514

	2021 £'000	2020 £'000
Group and share of joint ventures operating (loss) / profit	(20,820)	9,808
Add: group and share of joint ventures administrative exceptional (credit)/charge	(2,061)	5,622
Add: depreciation and amortisation	4,751	4,416
Add: share of joint ventures' depreciation and amortisation	2,391	2,060
Adjustment for non-coterminous year end and other timing movements	1,101	978
Adjustment to current year foreign exchange rates	-	(1,161)
Net EBITDA (at constant foreign exchange rates)	(14,638)	21,723
Board and one off costs	2,281	779
New partnership and product start-up losses	5,790	2,393
Adjusted EBITDA (at constant foreign exchange rates)	(6,567)	24,895

The INTO group planned for and managed a significant reduction in student volumes due to the COVID-19 impact in FY21. Statutory group turnover decreased 23% to £77,058k (2020: £100,456k). Adjusted turnover which includes the group's share of joint venture turnover, stated at constant foreign exchange rates decreased 40% to £119,309k in 2021 (2020: £197,514k).

Underlying group and share of joint ventures operating loss in the year was £22,881k, a decrease of £38,311k on the prior year (2020: profit of £15,430k).

Net EBITDA, measured at current year foreign exchange rate, is a loss of £14,638k, a decrease of £36,361k on the prior year (2020: £21,723k).

The year end cash balance was £20,462k (2020: £28,992k). The prior year figure included £10m of cash drawn on the revolving credit facility which was subsequently repaid. The group's ongoing focus on cash management can be seen in the fact that if the £10m facility cash is removed in the prior year the group cash actually increased despite the reduced forward cash received as at year end for future courses due to the impact of COVID-19.

### Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the group and the group finance department take on an important oversight role in this regard. The Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and the controls operate effectively. Risks are monitored by the management board on an ongoing basis and actions taken to mitigate these risks when appropriate via risk registers which are updated quarterly for each area of the business highlighting the action plans associated with any high risks.

The directors consider the following to be principal risks and uncertainties facing the company:

- global pandemic and the consequent impact on the ability of international students to travel;
- global economic recession;
- changes to government regulations, particularly those affecting student visas, and
- natural disasters, acts of terrorism and the consequent impact on the ability of international students to travel.

The Board actively monitors these risks on an on-going basis. The impact of the global pandemic and the mitigation and actions taken have been discussed elsewhere in this report. The Board believes that high quality student education remains a priority for parents during recession and therefore works to develop the product portfolio to ensure that INTO remains an educator of choice in the event of any downturn. New initiatives are constantly being developed to attract and retain high quality students and the courses the group offers are reviewed to ensure that they remain relevant and competitive.

Government regulations in both the countries that INTO recruit students from and the countries students study in, are monitored and the impacts of any changes assessed and understood. As the group has a portfolio of countries in both its recruitment markets and education markets the impact of any one change is lessened. The Board has continued to pursue a strategy of diversifying in both markets to ensure this continues to be the case.

Any items which impact students' willingness or ability to travel internationally, be those natural disasters, terrorism or the general openness of a country for international students impact the group. The directors keep abreast of these risks through market awareness, building robust working relationships with partners and developing a strong senior management team and react to these market forces as deemed appropriate in each location.

## Outlook

*In light of the continuing temporary reduction in international student mobility due to COVID-19, INTO anticipate an ongoing reduction in financial performance in the year ending 31 July 2022. The group has prepared a plan based on student volumes continuing to recover but still being reduced from pre COVID levels in the short term, and have worked with our partners, staff and bankers to respond to this. INTO enters the year in a strong position due to the quick mitigating actions taken to reduce costs, preserve cash reserves and ensure the group has significant liquidity available as required. These measures and careful monitoring of the mitigation plan delivery will continue into FY22 which should enable INTO to continue to invest in new products, recruitment, and technology to help ensure the future business will thrive. Surveys show that students continue to demand high quality international education opportunities and as such the Board believes that INTO is well positioned to respond to the market when student mobility increases.*

## Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006

The directors consider, both individually and collectively, that they have acted in the way they consider in good faith would promote the success of the group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 July 2021 and in creating the future business plans (the "business plans"):

- INTO University Partnerships' business plans are designed to have a long-term beneficial impact on the group and to contribute to its success by providing high quality international education to our students and allowing our partners to meet their internationalisation aims.
- Our employees are fundamental to the delivery of the business plans, and we aim to be a responsible and attractive employer in our approach to pay and the benefits our employees received and the opportunities they have to develop their careers. During the year work was started on a new employee value proposition to articulate this commitment to both existing employees and potential new employees.
- INTO University Partnerships' business plans rely on developing long term relationships with suppliers and customers, enabling the Group to gain a detailed understanding of their requirements and priorities. INTO aim to act responsibly and fairly in how we engage with all stakeholders and partnership is ingrained in our business operations and processes. The COVID-19 pandemic has meant changes to some of our partnership models but due to the relationships INTO have built with our university partners the group have been able to flexibly change the model to respond to the changing requirements of our partners.
- INTO University partnership considers the impact of the group's operations on the community and the environment. All employees can take up to 3 paid days per year to volunteer at a non-profit organisation of their choice in order to contribute to either their local community or a cause that is important to them.
- As directors our intention is to behave responsibly and ensure that management operate the business with high standards of conduct and governance in order to ensure that our shareholders benefit from the delivery of the INTO Group's business plans.



Approved by the Board of Directors and signed on its behalf by:

<i>Sir David Eastwood</i>	15/12/2021
_____ Sir David Eastwood, Non Executive Chairman	_____ Date
<i>John Sykes</i>	15/12/2021
_____ John Sykes, Deputy CEO	_____ Date

## Directors' report for the year ended 31 July 2021

The directors present their annual report together with the audited consolidated financial statements of the group and company for the year ended 31 July 2021.

### Matters covered in the strategic report

In accordance with Section 414 of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the group has chosen to include a Strategic Report. The information in this report concerns the business review, principal risks and uncertainties and future developments.

### Future developments

Please see Strategic Report for details.

### Results and dividends

The loss for the financial year amounted to £23,116k (2020: profit of £6,902k). The directors did not pay a dividend in the year (2020: £6,693k).

### Financial risk management

The group is exposed to foreign exchange risk through the ownership of subsidiaries and joint venture operations in North America and Asia and the income generated in these regions. In order to mitigate part of the risk in relation to this income certain forward exchange contracts have been entered into as described in the accounting policies and Note 18 to the financial statements.

The group has a £40m revolving credit facility with its bankers. The financial commitments in relation to this facility are as disclosed in Note 20. Given the current low rates of interest available, the board consider the group's exposure to fluctuations in interest rates not to be significant at the present time, but this is kept under continual review.

The board does not consider the group to be subject to significant cash flow or liquidity risk and, aside from the facilities above, does not actively use any complex financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

### Directors

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

A J Colin  
D S Eastwood  
J C Latham (*resigned 31 October 2021*)  
J T Leeds  
C J Mairs  
S G Smale  
J B Sykes

### Company registration number

The company registration number is 05507863. The company is a limited company incorporated in the United Kingdom. The company's registered office is detailed on page 3.

### Going concern

The financial statements have been prepared on the going concern basis, which assumes that the group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

After considering the cash flow projections for the twelve months from the date these financial statements were issued for approval, the directors believe the group has sufficient funds to meet

its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

The COVID-19 crisis has significantly impacted the international education sector and caused significant uncertainty over the ability of the group to recruit students and more generally student mobility. Management have taken steps to transfer the group and joint ventures courses online whilst maintaining the quality of education offered to students both remotely and, where travel regulations permit, in person. Management have also taken steps to maintain the financial resilience of the group in the short and long term through diligent liquidity planning including renegotiating the credit facilities with its bankers.

As a result, this uncertainty has been considered as part of the groups assessment of the going concern basis in the preparation of the financial statements. In preparing this analysis the board have considered the group's ability to meet its liabilities based on various levels of reductions in student numbers, as well as a number of cost mitigation strategies that can and have been employed.

The group has a £40m revolving credit facility with HSBC Bank plc which was renegotiated in the year based on the expected impact of COVID-19. This renegotiation means that a breach of the original covenant tests for the period to 31 October 22 will not be an event of default as long as a minimum EBITDA is met on a last 12 month basis. Management will renegotiate this facility beyond this period at an appropriate time. As the current modelling does not require usage of this facility beyond the currently agreed period this is not deemed to impact the going concern of the group.

Based on these circumstances, the Board believes that it remains appropriate to prepare the financial statements on the going concern basis.

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### **Political and charitable donations**

INTO University Partnerships allocates a proportion of its profits to fund the operating costs of INTO Giving, a charity supporting educational projects for poor and disadvantaged children around the world. During the year this amounted to £123,101 (2020: £129,899).

### **Post balance sheet events**

Post balance sheet events can be found in Note 27

### **Environmental, social and community issues**

The company is committed to the promotion of environmental initiatives and minimising the environmental impact of its businesses. Through focusing on creating an efficient and sustainable business the company is taking steps to reduce its on-going carbon footprint.

The INTO group is driven by the desire to provide life-changing experiences for our students. Moreover, the investment and additional revenue generated are helping to revitalise our partner universities and the local and regional economy that surrounds them. The group also works closely with INTO Giving, a charity that supports educational and humanitarian projects for some of the world's poorest and most disadvantaged children. The group supports INTO Giving through fundraising activities, and through staff volunteering their time and skills.

In 2020/21, INTO Giving donated £62,500 in support of educational, community and humanitarian projects in Colombia, Guatemala, India, Indonesia, Lebanon, Nepal, Nigeria, Uganda, Vietnam, the UK, US and Zambia. Over the past year, funds raised by INTO employees and students have, for example, supported an anti-sexual exploitation programme for at-risk Colombian schoolchildren, supported anti-racism and civil rights groups in the UK and US and girls' education in ten countries worldwide

### Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

The group presents the following details of its carbon usage, covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions, compliant with UK legislation set out in the Streamlined Energy and Carbon Reporting (SECR) 21 January 2021. As allowed by the regulations the summary below represents only the entities which meet the large size criteria for the disclosure.

	2021	2020	
Total energy use covering electricity, gas, other fuels and transport	4,592,537	7,209,058	kWh
Total emissions generated through combustion of gas	268	505	tCO <sub>2</sub> e
Total emissions generated through use of purchased electricity	716	876	tCO <sub>2</sub> e
Total emissions generated through use of heat and steam	189	121	tCO <sub>2</sub> e
Total emissions generated through business travel	-	-	tCO <sub>2</sub> e
Total gross emissions	1,172	1,503	tCO <sub>2</sub> e
Intensity ratio (total gross emissions)	3.14	4.02	kgCO <sub>2</sub> e per sqft

### Energy efficiency actions

The group is committed to responsible energy management and practise energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and understand we have a role to play in reducing greenhouse gas emissions.

The board has implemented the policies below which have increased the business's energy efficiency in the current financial year:

- Moved to increased remote home working due to COVID-19 and extended this hybrid working offering to non-student facing employees as part of its global flexibility framework,
- A reconsideration and reduction of the overall office space required to meet the hybrid working arrangements of our employees, as well as the introduction of solar panels and more efficient lighting and heating across the properties of the group and its joint ventures;
- Implemented new video conferencing software; and
- A significant reduction in travel due to COVID-19 restrictions globally. This is budgeted to continue in FY22 as the need to travel for meetings has been proven to be less of a requirement

### Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 28/10/2019) was used in this report in conjunction with Government GHG reporting conversion factors.

## Employees

Consultations with employees or their representatives has continued at all levels, with the aim of ensuring that their views are considered when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic business units and the company as a whole. Communication with all employees continues through multiple media and employee engagement surveys are conducted.

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

We continue to work hard to ensure a diverse and inclusive workforce is hired, retained, and can thrive at INTO and that we take the opportunity to overcome inequity. We believe that this can only be accomplished with a steady, sustainable, and relentless focus on initiatives that attract diverse talent, create an inclusive culture, and develop and promote a diverse range of colleagues. We have made significant progress in this area, but we are clear there is much work still to do and it will remain a key focus for our executive and management teams.

INTO publishes a gender pay gap report covering the one entity on which INTO are required by law to report, as well as voluntary reporting of other entities and organisations which help round out the picture of the gender pay gap at INTO in the UK. INTO is working towards wider reporting in this area covering all entities within the group. The full report can be obtained from the INTO corporate website at <https://into.global/corporate-information>

## Branches outside the UK

The following branches exist outside of the UK in addition to the statutory entities listed in Note 25:

- In China the regional offices in Dalian, Shanghai and Beijing are branches of Guangzhou INTO Education Ltd (incorporated in China).
- In China there is also a Beijing branch of DPU (Shanghai) Business Consulting Ltd (incorporated in China).
- Schoolapply AG has a branch based in Dubai.
- University Access Centre Vietnam has a branch based in Hanoi.

## Directors' responsibilities statement

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure of information to auditors

The directors confirm that:

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

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

#### Independent auditors

The auditors, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

Approved by the Board of Directors and signed on its behalf by:

*Sir David Eastwood*

15/12/2021

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Sir David Eastwood, Non Executive Chairman

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Date

*John Sykes*

15/12/2021

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John Sykes, Deputy CEO

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Date

# Independent auditors' report to the members of INTO University Partnerships Limited

## Opinion

We have audited the financial statements of INTO University Partnerships Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2021, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets as at 31 July 2021, the Consolidated and Company statements of changes in equity, the Consolidated cash flow statement for the year then ended, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2021 and of the group's loss 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 group and the parent 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

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

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

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

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

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

### Other information

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

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial 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.

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

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

### Matters on which we are required to report by exception

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

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

### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement on page 12, 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.*

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK)
- We communicated relevant laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit
- We understood how the Group is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance. We corroborated our inquiries through review of board minutes provided by management
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team on the areas where fraud might occur included:
  - evaluation of the effectiveness of management's controls designed to prevent and detect irregularities;
  - journal entries testing, with a focus on manual entries, unauthorised user entries and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the entity operates
  - understanding of the legal and regulatory requirements specific to the entity

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

### Use of this report

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

*Grant Thornton UK LLP*

15/12/2021

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Christian Heeger BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley

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Date

# Consolidated statement of comprehensive income for the year ended 31 July 2021

Registration number: 05517863

	Note	2021 Underlying £'000	2021 Non- underlying exceptional items £'000	2021 £'000	2020 Underlying £'000	2020 Non- underlying exceptional items £'000	2020 £'000
<b>Group turnover<sup>1</sup></b>	1	77,058	-	<b>77,058</b>	100,456	-	100,456
Cost of sales		(22,506)	-	<b>(22,506)</b>	(26,164)	-	(26,164)
<b>Gross profit</b>		<b>54,552</b>	-	<b>54,552</b>	<b>74,292</b>	-	<b>74,292</b>
Administrative expenses	2	(66,227)	(685)	<b>(66,912)</b>	(60,213)	(5,662)	(65,875)
Other income	3	1,052	-	<b>1,052</b>	607	-	607
Profit on disposal of joint venture	24	-	3,958	<b>3,958</b>	-	-	-
<b>Group operating (loss) / profit</b>	4	<b>(10,623)</b>	<b>3,273</b>	<b>(7,350)</b>	<b>14,686</b>	<b>(5,662)</b>	<b>9,024</b>
Existing operations		(10,271)	3,273	<b>(6,998)</b>	14,884	(5,662)	9,222
Acquisitions		(352)	-	<b>(352)</b>	(198)	-	(198)
Share of operating (loss) / profit in joint ventures	11	(12,258)	(1,212)	<b>(13,470)</b>	744	40	784
<b>Group and share of joint ventures operating (loss) / profit</b>		<b>(22,881)</b>	<b>2,061</b>	<b>(20,820)</b>	<b>15,430</b>	<b>(5,622)</b>	<b>9,808</b>
<i>Net interest and similar charges</i>							
Group	7	(3,499)	-	<b>(3,499)</b>	(1,435)	-	(1,435)
Share of joint ventures	7	(772)	-	<b>(772)</b>	(663)	-	(663)
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(27,152)</b>	<b>2,061</b>	<b>(25,091)</b>	<b>13,332</b>	<b>(5,622)</b>	<b>7,710</b>
Tax on (loss) / profit on ordinary activities of subsidiaries	8	2,830	(525)	<b>2,305</b>	(1,616)	932	(684)
Share of joint ventures taxation	8	(330)	-	<b>(330)</b>	(124)	-	(124)
<b>(Loss) / profit on ordinary activities after taxation</b>		<b>(24,652)</b>	<b>1,536</b>	<b>(23,116)</b>	<b>11,592</b>	<b>(4,690)</b>	<b>6,902</b>
<b>(Loss) / profit for the financial year</b>		<b>(24,652)</b>	<b>1,536</b>	<b>(23,116)</b>	<b>11,592</b>	<b>(4,690)</b>	<b>6,902</b>
Currency translation difference on foreign currency net investments		1,052	-	<b>1,052</b>	423	-	423
		<b>(23,600)</b>	<b>1,536</b>	<b>(22,064)</b>	<b>12,015</b>	<b>(4,690)</b>	<b>7,325</b>
<b>Attributable to:</b>							
<b>Owners of the parent</b>		<b>(23,431)</b>	<b>1,536</b>	<b>(21,895)</b>	<b>12,015</b>	<b>(4,690)</b>	<b>7,325</b>
<b>Non-controlling interests</b>		<b>(169)</b>	<b>-</b>	<b>(169)</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>(23,600)</b>	<b>1,536</b>	<b>(22,064)</b>	<b>12,015</b>	<b>(4,690)</b>	<b>7,325</b>

<sup>1</sup> Adjusted turnover which includes statutory turnover and share of joint ventures' turnover was £119,309k (2020: £197,514k).

Please see the Strategic Report on page 6 for details of this

There is no material difference between the profit on ordinary activities before taxation and the profit for the current and prior financial year stated above and their historical cost equivalents.

The notes on pages 34 to 57 form part of these financial statements

# Consolidated balance sheet as at 31 July 2021

Registration number: 05507563

	Note	2021 £'000	2020 (Restated see Note 5) £'000
<b>Fixed assets</b>			
Intangible assets	9	9,605	11,307
Tangible assets	10	6,165	5,963
Investments in joint ventures	11	1,459	7,441
Investments	12	150	150
<b>Total fixed assets</b>		<b>17,379</b>	<b>24,861</b>
<b>Current assets</b>			
Debtors	13	71,974	65,537
Prepayments and accrued income			
- amounts falling due within one year	13	14,172	24,533
- amounts falling due after one year	13	9,861	5,943
		<b>96,007</b>	<b>96,013</b>
Cash at bank and in hand		20,462	28,992
		<b>116,469</b>	<b>125,005</b>
<b>Creditors: Amounts falling due within one year</b>	14	<b>(21,562)</b>	<b>(19,307)</b>
Accruals and deferred income	14	(44,936)	(27,201)
		<b>(66,498)</b>	<b>(46,508)</b>
<b>Provisions for liabilities: Amounts falling due within one year</b>	15	<b>(4,862)</b>	<b>(5,053)</b>
<b>Net current assets</b>		<b>45,109</b>	<b>73,444</b>
<b>Total assets less current liabilities</b>		<b>62,488</b>	<b>98,305</b>
<b>Creditors: Amounts falling due after more than one year</b>	16	<b>(142)</b>	<b>(10,704)</b>
<b>Provisions for liabilities: Amounts falling after more than one year</b>	15	<b>(1,439)</b>	<b>(1,541)</b>
<b>Liabilities in respect of joint ventures</b>	11	<b>(47,549)</b>	<b>(50,318)</b>
		<b>(49,130)</b>	<b>(62,563)</b>
<b>Net assets</b>		<b>13,358</b>	<b>35,742</b>
<b>Capital and reserves</b>			
Called up share capital	19	1,239	1,270
Share premium account		2	2
Capital redemption reserve		49	18
Hedging reserve		-	(88)
Foreign exchange translation reserve		2,274	1,222
Non-controlling interests		(568)	-
Profit and loss reserve		10,362	33,318
<b>Total shareholders' funds</b>		<b>13,358</b>	<b>35,742</b>

The consolidated financial statements on pages 19 to 57, were approved by the Board of Directors and signed on its behalf by:

*Sir David Eastwood*

15/12/2021

*John Sykes*

15/12/2021

Sir David Eastwood, Non Executive Chairman

Date

John Sykes, Deputy CEO

Date

The notes on pages 34 to 57 form part of these financial statements.

# Company balance sheet as at 31 July 2021

Reg. number: 05107285

	Note	2021 £'000	2020 £'000
Investments	12	36,067	36,066
		36,067	36,066
<b>Current assets</b>			
Debtors	13	8,004	6,236
Prepayments and accrued income	13	845	870
		8,849	7,106
Cash at bank and in hand		200	189
		9,049	7,295
<b>Creditors: Amounts falling due within one year</b>	14	(7,476)	(9,389)
<b>Accruals and deferred income</b>	14	(1,617)	(594)
		(9,093)	(9,983)
<b>Provisions for liabilities: Amounts falling due within one year</b>	15	(1,528)	(3,838)
<b>Net current liabilities</b>		(1,572)	(6,526)
<b>Total assets less current liabilities</b>		34,495	29,540
<b>Net assets</b>		34,495	29,540
<b>Capital and reserves</b>			
Called up share capital	19	1,239	1,270
Share premium account		2	2
Capital redemption reserve		49	18
Hedging reserve		-	(88)
Profit and loss reserve		33,205	28,338
<b>Total shareholders' funds</b>		34,495	29,540

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company. The result for the financial year ended 31 July 2021 of the parent company was a £4,876k profit (2020: £1,127k loss).

The financial statements on pages 19 to 57 were approved by the Board of Directors and signed on its behalf by:

*Sir David Eastwood*

15/12/2021

Sir David Eastwood, Non Executive Chairman

Date

*John Sykes*

15/12/2021

John Sykes, Deputy CEO

Date

The notes on pages 34 to 57 form part of these financial statements

## Consolidated statement of changes in equity for the year ended 31 July 2021

GROUP	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Translation reserve £'000	Non- controlling interests £'000	Profit and loss reserve £'000	Total shareholders' funds £'000
<b>As at 1 August 2019</b>	<b>1,271</b>	<b>2</b>	<b>17</b>	<b>-</b>	<b>799</b>	<b>-</b>	<b>33,109</b>	<b>35,198</b>
Profit for the financial year	-	-	-	-	-	-	6,902	6,902
Movements in relation to the Management Incentive Plan	(1)	-	1	-	-	-	-	-
Dividends	-	-	-	-	-	-	(6,693)	(6,693)
Movement in Hedging reserve	-	-	-	(88)	-	-	-	(88)
Translation Reserve	-	-	-	-	423	-	-	423
<b>As at 31 July 2020</b>	<b>1,270</b>	<b>2</b>	<b>18</b>	<b>(88)</b>	<b>1,222</b>	<b>-</b>	<b>33,318</b>	<b>35,742</b>
Profit/(loss) for the financial year	-	-	-	-	-	(169)	(22,947)	(23,116)
Movements in relation to the Management Incentive Plan	(31)	-	31	-	-	-	(9)	(9)
Movement in Hedging reserve	-	-	-	88	-	-	-	88
Acquisition of non- controlling interests (see Note 24)	-	-	-	-	-	(399)	-	(399)
Translation Reserve	-	-	-	-	1,052	-	-	1,052
<b>As at 31 July 2021</b>	<b>1,239</b>	<b>2</b>	<b>49</b>	<b>-</b>	<b>2,274</b>	<b>(568)</b>	<b>10,362</b>	<b>13,358</b>

The credit to the capital redemption reserve during the year represents the buy back of shares associated with the management incentive scheme.

The notes on pages 34 to 57 form part of these financial statements

## Company statement of changes in equity for the year ended 31 July 2021

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Profit and loss reserve £'000	Total shareholders' funds £'000
<b>As at 1 August 2019</b>	<b>1,271</b>	<b>2</b>	<b>17</b>	<b>-</b>	<b>36,158</b>	<b>37,448</b>
Loss for the financial year	-	-	-	-	(1,127)	(1,127)
Movements in relation to the Management Incentive Plan	(1)	-	1	-	-	-
Dividends	-	-	-	-	(6,693)	(6,693)
Movement in Hedging reserve	-	-	-	(88)	-	(88)
<b>As at 31 July 2020</b>	<b>1,270</b>	<b>2</b>	<b>18</b>	<b>(88)</b>	<b>28,338</b>	<b>29,540</b>
Profit for the financial year	-	-	-	-	4,876	4,876
Movements in relation to the Management Incentive Plan	(31)	-	31	-	(9)	(9)
Movement in Hedging reserve	-	-	-	88	-	88
<b>As at 31 July 2021</b>	<b>1,239</b>	<b>2</b>	<b>49</b>	<b>-</b>	<b>33,205</b>	<b>34,495</b>

The credit to the capital redemption reserve during the year represents the buy back of shares associated with the management incentive scheme.

The notes on pages 34 to 57 form part of these financial statements.

## Consolidated cash flow statement for the year ended 31 July 2021

Registration number: 1095517863

	2021 £'000	2020 (Restated - Note 5) £'000
<b>Cash flows from operating activities</b>		
(Loss) / profit for the financial year	(23,116)	6,902
Depreciation charge	1,617	1,238
Amortisation of intangibles	3,134	3,178
Impairment of intangibles	849	384
Loss on disposal of intangible assets	169	-
Loss on disposal of tangible assets	132	-
Profit on disposal of joint venture	(3,958)	-
Share based payment charge	(9)	-
Net interest and similar charges	3,499	1,435
Share of loss / (profit) for the financial year in joint ventures	13,470	(784)
Share of interest payable by joint ventures	772	663
Taxation	(1,975)	808
(Increase) / Decrease in debtors	(1,007)	4,386
Increase / (Decrease) in creditors	7,284	(14,067)
<b>Cash from operations</b>	<b>861</b>	<b>4,143</b>
Income tax credit / (paid)	1,764	(2,255)
<b>Net cash inflow from operating activities</b>	<b>2,625</b>	<b>1,888</b>
<b>Cash flow from investing activities</b>		
Interest received	1,600	1,823
Interest paid	(1,645)	(1,048)
Purchase of tangible fixed assets	(927)	(2,433)
Purchase of intangible fixed assets	(4,452)	(5,520)
Acquisition of subsidiary	-	(225)
Net cash acquired with subsidiary	1,013	15
Dividends received from joint ventures	4,600	1,999
<b>Net cash inflow / (outflow)</b>	<b>189</b>	<b>(5,389)</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-	(6,693)
(Decrease) / increase in borrowings	(10,048)	10,538
<b>Net cash (outflow) / inflow from financing activities</b>	<b>(10,048)</b>	<b>3,845</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(7,234)</b>	<b>344</b>
Cash and cash equivalents at beginning of the year	28,992	30,237
Exchange adjustments	(1,296)	(1,589)
<b>Cash and cash equivalents at the end of the year</b>	<b>20,462</b>	<b>28,992</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	20,462	28,992
<b>Cash and cash equivalents</b>	<b>20,462</b>	<b>28,992</b>

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12(b) not to present the company statement of cash flows. The notes on pages 34 to 57 form part of these financial statements



# Principal accounting policies

## General information

The company is a private company limited by shares and is incorporated in England. The address of its registered office is One Gloucester Place, Brighton, United Kingdom, BN1 4AA.

## Statement of compliance

The group and individual financial statements of INTO University Partnerships Limited have been prepared 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.

## Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 32.

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The following accounting policies have been applied consistently in both the current and preceding periods in dealing with items which are considered material in relation to the company's financial statements. These financial statements are prepared in Pounds Sterling (£) and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council.

The functional and presentation currency of the company is considered to be Pounds Sterling (£) because that is the currency of the primary economic environment in which the group operates.

## Exemptions for qualifying entities under FRS 102

INTO University Partnerships Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

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

- from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A as the information is provided in the consolidated financial statement disclosures;
- from disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

## Going concern

The financial statements have been prepared on the going concern basis, which assumes that the group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

After considering the cash flow projections for the twelve months from the date these financial statements were issued for approval, the directors believe the group has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

*The COVID 19 crisis has significantly impacted the international education sector and caused significant uncertainty over the ability of the group to recruit students in the coming months. Management have taken steps to transfer the group and joint ventures courses online and whilst maintaining the quality of education offered to students both remotely and, when travel regulations permit, in person. Management have also taken steps to maintain the financial resilience of the group in the short and long term through diligent liquidity planning including securing significant revolving credit facilities.*

As a result, this uncertainty has been considered as part of the groups assessment of the going concern basis in the preparation of the financial statements. In preparing this analysis the board have considered the group's ability to meet its liabilities based on various levels of reductions in student numbers, as well as a number of cost mitigation strategies that can and have been employed.

The group has a £40m revolving credit facility with HSBC Bank plc which was renegotiated in the year based on the expected impact of COVID-19. This renegotiation means that a breach of the original covenant tests for the period to 31 October 22 will not be an event of default as long as a minimum EBITDA is met on a last 12-month basis. Management will renegotiate this facility beyond this period at an appropriate time. As the current modelling does not require usage of this facility beyond the currently agreed period this is not deemed to impact the going concern of the group.

Based on these circumstances, the Board believe that it remains appropriate to prepare the financial statements on the going concern basis.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings, together with the group's share of results of its joint ventures made up to 31 July 2021, with comparatives representing an annual year to 31 July 2020.

A separate statement of comprehensive income has not been included for the company by virtue of section 408 of the Companies Act 2006.

INTO USF Inc and INTO Illinois State University LLC prepare their financial statements to 30 June. Given non-coterminous balance sheet dates, the share of profits and losses and net assets in relation to these joint ventures represent the annual period to 30 June 2021. As INTO USF Inc and INTO Illinois State University LLC balance sheet date is less than 3 months prior to the group's balance sheet date, this is permitted under FRS 102.

### **Subsidiaries**

Acquisitions of subsidiaries are accounted for using the acquisition method.

Inter-company transactions, balances and unrealised gains arising between the company and its subsidiaries are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the group. In the parent company financial statements investments in subsidiaries are accounted for at cost less impairment.

### **Investments in joint ventures**

The results, assets and liabilities of a jointly controlled entity are incorporated in these financial statements using the equity method of accounting. Under the equity method, the investment in a jointly controlled entity is carried in the balance sheet at cost, plus post-acquisition changes

in the group's share of net assets of the jointly controlled entity, less distributions received and less any impairment in value of the investment. The group statement of comprehensive income reflects the group's share of the results after tax of the jointly controlled entity.

Where necessary, adjustments are made to financial statements of jointly controlled entities to bring the accounting policies used into line with those of the group.

Unrealised gains on transactions between the group and its jointly controlled entities are eliminated to the extent of the group's interest in the jointly controlled entities.

The group assesses investments in jointly controlled entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

In the parent company financial statements investments in joint ventures are accounted for at cost less impairment.

### **Business combinations and goodwill**

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

### **Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Unrealised gains and losses on intercompany balances are treated as investing activities and therefore included in the statement of comprehensive income within net interest receivable and similar credits / charges.

**Foreign operations**

The assets and liabilities of foreign operations are translated to Pounds Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Pounds Sterling at the average rate for the year. Exchange differences arising on retranslation of foreign operations from the opening / average rate to the closing rate are recognised in other comprehensive income and are included in the translation reserve.

**Intangible assets**

Computer software is amortised over its estimated useful life, of 4 – 7 years, on a straight line basis

Goodwill represents the excess of the cost of acquisition of a subsidiary over the group's share of the fair value of identifiable net assets acquired

Agency relationships acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the group

Goodwill and agency relationships are amortised on a systematic basis over its useful life, which is 10 -15 years. It is believed that the useful life of 10-15 years is appropriate as the contacts in the acquired entities are expected to generate benefits over at least this period.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Assets under course of construction represents software being developed by the group and its subsidiaries

Computer software is stated at cost less accumulated amortisation and accumulated impairment loss. Software development is capitalised in accordance with FRS102 section 18.8H. Development costs are only recognised once the group has the ability to demonstrate the technical feasibility of a software project, that the project will generate future economic benefits, and the availability of technical, financial and other resources to complete the project. Costs that do not fall within this criteria, including research costs and post-completion maintenance costs, are taken directly to the Statement of comprehensive income.

At each reporting date an assessment is conducted to review if there is any indication of impairment. If there is objective evidence of impairment an impairment loss is recognised in the statement of comprehensive income.

**Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure directly attributable to acquisition. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Estimated depreciation is made on the following basis to write off the assets over their estimated useful economic lives:

Land freehold	Not depreciated
Buildings freehold	2% straight line
Leasehold improvements	Life of the lease
Fixtures and fittings	20% - 25% straight line
Office equipment	20% - 25% straight line

Useful lives and residual values are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## Employee benefits

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

- **Short term benefits**

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

- **Defined benefit multi employer plans**

Certain of the employees of the group's joint ventures are members of defined benefit pension schemes as a result of their being transferred from the partner university to the joint venture under TUPE arrangements when the joint ventures were formed. Liabilities in respect of each joint venture's required contributions to deficit recovery plans are included within the share of liabilities in relation to joint ventures at the balance sheet date. In relation to a scheme administered by Newcastle University it has been agreed that liabilities relating to the recovery of this deficit will be met by the shareholding companies of INTO Limited, a related company which holds these employees' contracts of employment. A provision of £42k has therefore been provided in the financial statements recognising the group's liability in respect of this deficit.

- **Annual bonus plan**

The group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

- **Long term incentive plans**

The company operates a long term incentive plan for certain key employees and Directors which is accounted for under the provisions of FRS102. See Note 23 for details of the scheme.

## Financial instruments

Financial assets and liabilities are recognised when the group becomes a part to the contractual provisions of the instrument. All financial assets and liabilities are measured at transaction price and continue to be recognised at that amount unless evidence exists as to any potential impairment.

The group has entered into a number of forward currency contracts in order to mitigate the foreign exchange risk arising on US dollar receipts in respect of marketing fees receivable from its joint ventures. These amounts are accounted for using cashflow hedge accounting. Prior to maturity, the value of these contracts is recognised on the balance sheet within current assets and liabilities at their Mark To Market value. An assessment is made of the effectiveness of each contract as to whether they relate to highly probably forecast transactions, and therefore whether hedge accounting can be applied. Profits and losses are taken to the hedging reserve to the extent that the hedge is effective, and directly to the profit and loss account where the hedge is considered to be ineffective.

Basic financial assets, including trade and other receivables, cash and bank balances and investments, and basic financial liabilities, including trade and other payables, are recognised at fair value which is normally the transaction price.

## Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Revenue is shown net of value-added tax and amounts due to third parties and after elimination of revenue within the group.

Amounts invoiced in advance of services being performed are deferred within creditors due in less than one year until the service is performed. Where services are performed prior to amounts being invoiced, amounts are recognised as accrued income within debtors.

- **Tuition**

Tuition fees represent all fees chargeable to students or their sponsors, attributable to the current accounting year, net of discounts. Tuition fees are attributed to accounting periods based on the tuition actually provided in that period. The costs of any fees waived or discounts are deducted from tuition fee income.

- **Accommodation**

Accommodation fees are spread over the period of occupancy to which they relate.

- **Catering and other ancillary services**

Catering income represents the sale of food and beverages from ancillary catering facilities and other services performed on students' behalf. Revenues are recognised in the period that they are provided.

- **Management and corporate services fees**

Marketing services, management services and other corporate services are provided by the group to its joint ventures. Such turnover is recognised in the accounting period in which the services are provided. The majority of these fees are based on services performed over a fixed period of time (monthly or quarterly) and are spread evenly over that period.

- **Progression fees**

The group receives contractual payments from certain Universities in relation to students progressing to join the University from INTO study centres and/or from direct applicants joining the University as a result of marketing activity conducted by the group.

For students applying directly to join the University turnover is recognised at the point students accept and become entitled to a place to study at the University and is recognised for all future payments in full less a provision for estimated student withdrawals.

For students progressing from INTO study centres turnover is recognised based on the current student cohort and historic student progression data from individual study centres. Turnover is recognised for all future payments in full less a provision for estimated student withdrawals, discounted where appropriate.

In some cases, INTO has additional obligations relating to the receipt of progression fees, relating to the provision of scholarships to pathway students. In those cases revenues are not recognised until those obligations are met

- **Placement / Commission fees**

Contractual payments are received from certain education providers in relation to placing students where the group acts as agent. Such turnover is recognised at the point students accept and become entitled to a place to study and only the agency commission due is recognised as revenue. The Group also receives marketing fees, that are based on student numbers, from its joint ventures which are accounted for as commission fees and recognised over the period of tuition.

- **Student deposits and credit balances**

The group holds credits on its balance sheet in relation to deposits and other credits held on behalf of students. In some cases in spite of multiple attempts to contact the relevant individuals the group is unable to identify an account into which to return the funds. These amounts are released to the Statement of comprehensive income after they become refundable.

- **Rental income**

Rental income receivable is recognised in the period to which it relates.

- **Other income**

Other income represents government grants received under the Coronavirus Job retention scheme. The amounts are recognised using the accrual model

### **Operating leases**

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

### **Contingent liabilities**

Because of the nature of the business it is possible that from time to time the group will enter into disputes with third parties. Contingent liabilities are disclosed if the possibility of an outflow of economic benefit to settle the obligation is more than remote.

In approving these financial statements, the Board of Directors have confirmed their view that no further provisions need to be booked in respect of such matters.

### **Share based payments**

The group provides share based payment arrangements to certain employees and Directors. These arrangements include shares which have distribution rights in the event of a share sale or capital return. Equity settled arrangements are measured at fair value at the date of the grant. The fair value is expensed on a straight line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that will vest. Cash settled arrangements are measured at fair value and the fair value of the liability is recalculated at each reporting date. The Directors take into account various factors, including the scheme rules, the award value and the likelihood of a qualifying event when deciding whether to recognise an expense in relation to these arrangements

### **Taxation**

Current tax including UK corporate tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where 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 have occurred at the balance sheet date and the reversal of these items is deemed likely. Deferred tax is provided at amounts expected to be paid using the tax rates and laws enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax is not provided for unused tax losses due to current uncertainties surrounding the reversal of the underlying differences.

### **Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less

### **Administrative exceptional items (non-underlying)**

The group classifies certain one-off charges or credits that have a material impact on the group's finance results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group, included in the "non-underlying" column in the consolidated statement of comprehensive income.

**Agent Commission**

Commission paid to third party agents, where the entity has a right to recover the payments in the event the student leaves before the completion of their course, are deferred on the balance sheet and recognised over the same period as the related student revenue. Payments made where the entity has no recourse to recover them are expensed as they are earned by the third party.

**Dilapidations**

Provisions for dilapidations represent management's best estimate of liabilities in respect of dilapidations clauses likely to arise on expiry of the group's property leases. These amounts are included within provisions for liabilities and charges and are discounted at an appropriate rate.

**Share capital, share premium and capital redemption reserve**

The called up share capital reserve represents the nominal value of the shares issued. Ordinary shares are classified as equity. The share premium reserve includes the premium on issue of equity shares, net of any issue costs. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, against share premium. The capital redemption reserve is a reserve generated from the buy back of shares associated with the management incentive scheme.

**Hedging Reserve**

Gains and losses on effective hedging transactions are taken directly to the hedging reserve.

**Translation reserve**

Exchange differences arising on a monetary item that forms part of the company's net investment in a foreign operation, are recognised in other comprehensive income and are accumulated in the translation reserve.

**Profit and loss reserve**

This represents cumulative profits or losses, net of dividends paid and other adjustments.

**Critical accounting judgements and 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.

Management considers there to be no significant accounting judgements impacting the financial statements.

**Key accounting estimates and assumptions**

In the application of the group's accounting policies the directors are required to make key estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and / or future period as applicable.

The following are the key accounting estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements:



- **Progression fees**

The estimation of contractual payments in relation to students progressing to the Universities from INTO study centres is the largest estimation in the year. The key assumptions are student volumes which includes the drop out rate, which has been adjusted for the estimated COVID-19 impact, and the discounting rate which is based on the group's current cost of borrowing.

- **Useful economic lives of tangible and intangible assets**

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Notes 9 and 10 for the carrying amount and Principal accounting policies for the useful economic lives for each class of assets.

- **Recoverability of debtors**

Debtors are disclosed in the financial statements net of provisions for amounts that are not considered likely to be recovered. These amounts are assessed on a case by case basis depending on the specific facts and circumstances pertaining to each debt, and management considers amounts provided to represent a prudent estimate of the amounts unlikely to be recovered.

- **Impairment of non-financial assets**

In addition to the assessment performed above on useful lives of tangible and intangible assets, non-financial assets are reviewed at least annually for any indications of impairment, and where there exists an indication that their book values may not be supported by their value in use or resale value, an impairment is recognised.

- **Provisions for liabilities**

The provision in the year relates to a charge in respect of settlement of disputes and associated costs. Management considers these provisions to represent a prudent assessment of the likely settlement and costs.

- **Share based payments**

During the year the company recognised a total expense of £9k related to equity share based payments in the year (2020: £nil) directly to the profit and loss reserve, and an expense of £55k (2020: £73k release) related to cash settled share based payments within administrative expenses (see Note 23).

# Notes to the financial statements

## 1 Turnover

	2021 £'000	2020 £'000
<b>Geographical analysis</b>		
UK	49,874	54,867
North America	22,868	38,790
Asia	4,316	6,799
	<b>77,058</b>	<b>100,456</b>

Geographical analysis is based on the country in which the services are received.

All turnover is derived from services provided in relation to the provision of education and marketing services for international students

## 2 Administrative exceptional items

Administrative exceptional items totalling £685k relate to a goodwill impairment of £849k, a £554k credit in relation the release of provisions for onerous leases, an £258k charge in relation to irrecoverable debt from related parties, a £472k charge in relation to restructuring severance costs, a £55k charge in relation to cash-settled share option schemes, an £80k charge in relation to strategic project costs, and a £475k credit in relation to the release of provisions on disputes.

In the prior year administrative exceptional items totalling £5,662k related to a £5,880k charge and a £649k release in respect of provisions, a £48k release in respect of strategic project costs, a £384k charge in respect of the impairment of goodwill and a £95k charge in respect of consultancy and legal costs on projects aborted due to COVID-19 impacts

## 3 Other income

	2021 £'000	2020 £'000
Government grants	1,052	607

Other income represents amounts received in respect of the government's Coronavirus Job Support Scheme and is recognised as the amounts become due

#### 4 Group operating (loss)/profit

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

	2021 £'000	2020 £'000
Amortisation of intangible fixed assets	3,134	3,178
Depreciation of tangible fixed assets	1,617	1,238
Loss on disposal of intangible fixed assets	169	-
Loss on disposal of tangible fixed assets	132	-
Operating lease charges	9,884	7,765
Foreign exchange gains	285	54

The group received £693k (2020: £693k) in respect of rental income from a third party to which it sublet a property. The lease agreement contains a break clause which enables either party to exit the lease with nine months' notice.

#### Services provided by the Company's auditors

Fees payable for the audit of the company's annual financial statements	60	20
Fees payable for other services – audit of subsidiaries pursuant to legislation	104	136
Fees payable for other services – other advisory	30	-

The company's auditors also audit a number of the joint ventures. The audit does not include fees payable by the respective joint ventures for those services.

#### 5 Prior year restatement

During the year a review was performed of the group's provisions and it was noted that amounts provided against debt due from related parties should be offset against the related amount within debtors and not be included in provisions for liabilities. As a result, this was corrected within the prior year's results which have been restated. This restatement has the effect of reducing provisions for liabilities by £3,356k and reducing amounts due from related parties by the same amount. There is no impact on the prior year's profit or loss or on the opening reserves as at 1 August 2020.

## 6 Staff costs

Staff costs comprise:

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	34,203	33,166
Social security costs	3,738	3,317
Other pension costs	2,458	2,304
	<b>40,399</b>	<b>38,787</b>

<b>COMPANY</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	3,084	3,999
Social security costs	415	567
Other pension costs	246	252
	<b>3,745</b>	<b>4,818</b>

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

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Teaching	282	148
Marketing	221	201
Admission and enrolment	107	147
Administration	368	343
	<b>979</b>	<b>839</b>

<b>COMPANY</b>	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Marketing	7	7
Administration	15	15
	<b>22</b>	<b>22</b>

<b>Directors' remuneration</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>

Directors' remuneration consists of:

Emoluments	786	1,273
Payments to defined contribution pension scheme	41	42
	<b>827</b>	<b>1,315</b>

There were 2 directors in the company's defined contribution pension scheme during the year (2020: 2).

## 6 Staff costs (continued)

The emoluments of the highest paid director in the year were £374k (2020: £606k). Payments to defined contribution pension scheme in respect of the highest paid director were £15k (2020: £nil). Key management personnel are considered to be directors only and therefore is disclosed above.

## 7 Net interest and similar charges

GROUP	2021 £'000	2020 £'000
Unrealised exchange losses	(4,226)	(2,210)
Bank interest payable	(23)	(305)
Bank interest receivable	1	103
Loan interest receivable from related parties	1,115	1,158
Loan interest payable to related parties	(120)	(64)
Other interest payable and similar charges	(724)	(167)
Other interest receivable and similar credits	478	50
	(3,499)	(1,435)

SHARE OF JOINT VENTURES'	2021 £'000	2020 £'000
Unrealised exchange gains / (losses)	1	4
Bank interest receivable	1	65
Loan interest payable to related parties	(783)	(770)
Other interest receivable and similar credits	9	38
	(772)	(663)

**8 Tax on profit on ordinary activities**

	2021 £'000	2020 £'000
<b>a) Tax on profit on ordinary activities</b>		
<b>Current tax:</b>		
UK corporation tax on losses/profits for the year	(1,423)	2,218
Foreign corporation tax on profits of the year	48	(932)
Tax charge relating to the prior period	(625)	(865)
<b>Total current tax (credit)/charge</b>	<b>(2,000)</b>	<b>421</b>
<b>Deferred tax:</b>		
Effect of changes in the tax rate	-	-
Origination and reversal of temporary differences	(85)	404
Tax credit relating to the prior period	110	(17)
<b>Total deferred tax credit</b>	<b>25</b>	<b>387</b>
<b>Tax on profit on ordinary activities including share of joint venture taxation</b>	<b>(1,975)</b>	<b>808</b>
<b>b) Factors affecting the total tax charge</b>		
(Loss)/profit on ordinary activities before taxation	(25,091)	7,710
Tax calculated at the domestic UK rate applicable (2021: 19%, 2020: 19%)	(4,767)	1,465
<b>Effects of:</b>		
Expenses not deductible	1,835	564
Income not taxable	(726)	40
Adjustments in respect of foreign tax rates	28	26
Difference in tax rates	(265)	(508)
Deferred tax not recognised	2,435	104
Prior year adjustment	(515)	(883)
<b>Total tax charge</b>	<b>(1,975)</b>	<b>808</b>

**c) Factors that may affect future tax charges:**

Deferred tax has been recognised at a rate of 19%. Deferred tax was recognised at a rate of 19% at 31 July 2020.

Deductible temporary differences and unused tax losses for which no deferred tax asset has been recognised total £7,864k (2020: £5,154k). This asset has not been recognised in the financial statements due to current uncertainties surrounding the reversal of the underlying differences. This deferred tax asset would be recovered if there were future taxable profits from which the reversal of the underlying difference could be deducted.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as the group can control the timing of any dividends payable.

## 9 Intangible assets

GROUP	Goodwill	Agency relationships	Computer software	Assets under course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 August 2020	7,701	1,331	10,912	855	20,799
Additions	-	-	678	4,058	4,736
Acquisition of a subsidiary (see Note 24)	-	-	624	-	624
Movement in contingent consideration	(68)	-	-	-	(68)
Reclassification from tangible assets	-	-	819	(819)	-
Disposals	-	-	(466)	(2,535)	(3,001)
Foreign exchange	(375)	(54)	(29)	-	(458)
<b>At 31 July 2021</b>	<b>7,258</b>	<b>1,277</b>	<b>12,538</b>	<b>1,559</b>	<b>22,632</b>
<b>Accumulated amortisation</b>					
At 1 August 2020	3,606	487	5,399	-	9,492
Charge	475	145	2,514	-	3,134
Impairment	849	-	-	-	849
Disposals	-	-	(297)	-	(297)
Foreign exchange	(120)	(24)	(7)	-	(151)
<b>At 31 July 2021</b>	<b>4,810</b>	<b>608</b>	<b>7,609</b>	<b>-</b>	<b>13,027</b>
<b>Net book value</b>					
<b>At 31 July 2021</b>	<b>2,448</b>	<b>669</b>	<b>4,929</b>	<b>1,559</b>	<b>9,605</b>
At 31 July 2020	4,095	844	5,513	855	11,307

Disposals include software developed by the group's subsidiaries that is sold to the group's joint ventures

Amortisation is charged to administrative expenses in the consolidated statement of comprehensive income.

The carrying value of the goodwill balance includes £2,100k in relation to the acquisition of International Student Education Services, Inc. which has been subsequently subsumed by the group's direct entry business. The goodwill is being amortised over 15 years, 7 years of which remain at 31 July 2021.

**10 Tangible assets**

<b>GROUP</b>	<b>Land &amp; buildings freehold</b>	<b>Land &amp; buildings leasehold improvements</b>	<b>Fixtures &amp; fittings</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>					
At 1 August 2020	1,032	4,943	1,808	3,154	10,937
Additions	-	185	262	411	858
Acquisition of subsidiary (see Note 24)	-	963	133	36	1,132
Disposals	-	(243)	(402)	(40)	(685)
Foreign exchange	-	(35)	(19)	(43)	(97)
<b>At 31 July 2021</b>	<b>1,032</b>	<b>5,813</b>	<b>1,782</b>	<b>3,518</b>	<b>12,145</b>
<b>Accumulate depreciation</b>					
At 1 August 2020	172	1,953	942	1,907	4,974
Charge for the year	21	725	356	515	1,617
Disposals	-	(113)	(400)	(40)	(553)
Foreign exchange	-	(9)	(18)	(31)	(58)
<b>At 31 July 2021</b>	<b>193</b>	<b>2,556</b>	<b>880</b>	<b>2,351</b>	<b>5,980</b>
<b>Net book value</b>					
<b>At 31 July 2021</b>	<b>839</b>	<b>3,257</b>	<b>902</b>	<b>1,167</b>	<b>6,165</b>
<b>At 31 July 2020</b>	<b>860</b>	<b>2,990</b>	<b>866</b>	<b>1,247</b>	<b>5,963</b>

Depreciation is charged to administrative expenses in the consolidated statement of comprehensive income.



## 11 Investments in joint ventures

GROUP	2021 £'000	2020 £'000
<b>Share of assets</b>		
Share of current assets	41,486	52,729
Share of fixed assets	8,254	10,244
	49,740	62,973
<b>Share of liabilities</b>		
Liabilities due within one year	(91,830)	(105,850)
Liabilities due after more than one year	(4,000)	-
<b>Share of net liabilities</b>	<b>(46,090)</b>	<b>(42,877)</b>
<b>Presented on the balance sheet as:</b>		
Investment in joint ventures	1,459	7,441
Liabilities in respect of joint ventures	(47,549)	(50,318)
	(46,090)	(42,877)
 Share of turnover	 44,913	 101,606
Share of expenses	(58,383)	(100,822)
<b>Share of operating (loss)/profit</b>	<b>(13,470)</b>	<b>784</b>

Administrative exceptional charges in the year totalling £1,212k related to a charge of £161k from a provision against debts from related parties, a charge of £246k in relation to the early exit of a property lease, a charge of £592k in relation to the impairment of fixed assets and a charge of £213k in relation to restructuring.

Administrative exceptional items in the prior year totalling £40k related to a £28k release in respect of flood damage and a £12k release in respect of restructuring.

A significant joint venture is defined as one which represents 25% of the group's (excluding joint ventures) gross assets, gross liabilities, turnover or operating profit. The group's individually significant joint ventures are shown in Note 25.

**12 Investments**

<b>GROUP</b>	<b>Other Investments £'000</b>
At 1 August 2020	150
At 31 July 2021	150

<b>COMPANY</b>	<b>Investment in subsidiaries £'000</b>	<b>Other investments £'000</b>	<b>Total £'000</b>
At 1 August 2020	35,962	104	36,066
Additions	1	-	1
At 31 July 2021	35,963	104	36,067

The directors believe that the carrying value of the investments is supported by their underlying net assets.

A full list of the subsidiaries and joint ventures of the group can be found in Note 25.

### 13 Debtors

GROUP	2021 £'000	2020 (Restated - Note 5) £'000
<b>Due within one year:</b>		
Trade debtors	21,901	14,810
Amounts owed by related undertakings	43,826	46,328
Corporation Tax	817	605
Other debtors	5,430	3,794
	<b>71,974</b>	<b>65,637</b>
Prepayments and accrued income	<b>14,172</b>	<b>24,533</b>
<b>Due after more than one year:</b>		
Prepayments and accrued income	<b>9,861</b>	<b>5,943</b>
<b>COMPANY</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Due within one year:</b>		
Trade debtors	206	89
Amounts owed by group undertakings	6,977	5,827
Amounts owed by related undertakings (Note 21)	406	270
Corporation tax	122	-
Deferred tax	219	-
Other debtors	74	50
	<b>8,004</b>	<b>6,236</b>
Prepayments and accrued income	<b>845</b>	<b>870</b>

Prepayments and accrued income, for the Company, include Enil (2020: Enil) falling due after more than one year.

Amounts owed by related undertakings are as disclosed in Note 21 are unsecured and have no fixed repayment date

Amounts owed by related parties for the group is stated net of a £7,533k provision for related party bad debts (2020: £3,356k (restated – see Note 5)).

Trade debtors for the company is stated net of a Enil provision for bad debts (2020: Enil).

## 14 Creditors

GROUP	2021 £'000	2020 £'000
<b>Amounts falling due within one year:</b>		
Loans due within one year (see Note 16)	514	-
Trade creditors	7,709	6,059
Amounts owed to related undertakings	3,147	5,382
Deferred tax	14	-
Other taxation and social security	3,022	2,928
Other creditors	7,156	4,938
	<b>21,562</b>	<b>19,307</b>
Accruals	13,519	8,045
Deferred income	31,417	19,156
	<b>44,936</b>	<b>27,201</b>

Loans due within one year represent the elements of the facilities shown in Note 16 that are repayable within one year.

COMPANY	2021 £'000	2020 £'000
Trade creditors	295	25
Amounts owed to group undertakings	6,464	6,566
Amounts owed to related undertakings	27	1,139
Corporation tax	-	1,015
Other taxation and social security	355	179
Other creditors	335	465
	<b>7,476</b>	<b>9,389</b>
Accruals	1,381	313
Deferred income	236	281
	<b>1,617</b>	<b>594</b>

Amounts owed to group and related undertakings are unsecured and have no fixed repayment date.

## 15 Provisions for liabilities

GROUP	Potential settlement of disputes £'000	Other £'000	Total £'000
<b>Amounts falling due within one year:</b>			
At 1 August 2020 (Restated - Note 5)	4,862	191	5,053
Charged	397	180	577
Utilised	-	-	-
Released to statement of comprehensive income	(2,762)	(3)	(2,765)
Acquisition of a subsidiary (Note 24)	-	1,997	1,997
<b>At 31 July 2021</b>	<b>2,497</b>	<b>2,365</b>	<b>4,862</b>
<b>Amounts falling due after more than one year:</b>			
At 1 August 2020			1,541
Charged			34
Released to statement of comprehensive income			(127)
Foreign exchange			(9)
<b>At 31 July 2021</b>			<b>1,439</b>

COMPANY	Potential settlement of disputes £'000	Other £'000	Total £'000
<b>Amounts falling due within one year:</b>			
At 1 August 2020	3,697	141	3,838
Charged	452	-	452
Utilised	-	-	-
Released to statement of comprehensive income	(2,687)	(75)	(2,762)
<b>At 31 July 2021</b>	<b>1,462</b>	<b>66</b>	<b>1,528</b>

Provisions for the Company, include Enil (2020: Enil) falling due after more than one year.

Other provisions of £2,365k at 31 July 2021 relate to provisions for agreed maintenance on properties and other professional costs.

Provisions for liabilities at 31 July 2021 falling due after more than one year comprise costs of dilapidations

Provisions falling due within one year as at 1 August 2020 have been restated as disclosed in Note 5.

The directors consider that the provisions cover their best estimate of the likely settlement and costs in each case.

**16 Creditors; amounts falling due after more than one year**

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Long term</b>		
Loans due after one year	142	10,704

The table below details loan facilities used by the group

<b>Facility</b>	<b>Security</b>	<b>Interest rate</b>	<b>Amount outstanding</b>	
			<b>2021</b>	<b>2020</b>
			<b>£'000</b>	<b>£'000</b>
Revolving credit facility	Charge over the company's assets as disclosed in Note 20	2.05%-2.8% plus LIBOR dependent on leverage	-	10,000
School Apply Loan Notes payable (see Note 14)	Guaranteed by INTO University Partnership Ltd as part of the acquisition of School apply AG	5% coupon rate	514	550
Commercial mortgage loan agreement	Charge against the freehold property of the group	3.8% above the HSBC Bank plc Sterling Base rate	142	154
			<b>656</b>	<b>10,704</b>

The maturity of long term borrowings is as follows:

<b>GROUP</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Between 2 and 5 years	142	10,704

**17 Analysis of changes in net funds**

<b>GROUP</b>	<b>At 1 August 2020</b>	<b>Acquisitions</b>	<b>Foreign Exchange</b>	<b>Other</b>	<b>At 31 July 2021</b>
	<b>£'000</b>	<b>(Note 24)</b>		<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
Cash at bank and in hand	28,992	1,013	(290)	(9,253)	20,462
Borrowings	(10,704)	-	-	10,048	(656)
<b>Net funds</b>	<b>18,288</b>	<b>1,013</b>	<b>(290)</b>	<b>795</b>	<b>19,806</b>

<b>COMPANY</b>	<b>At 1 August 2020</b>	<b>Foreign Exchange</b>	<b>Other</b>	<b>At 31 July 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	189	(1)	12	200
<b>Net funds</b>	<b>189</b>	<b>(1)</b>	<b>12</b>	<b>200</b>

## 18 Financial Instruments and hedging reserve

On 13 December 2019 the group entered into a number of forward currency contracts in order to mitigate the foreign exchange risk arising on US dollar receipts in respect of marketing fees receivable from its joint ventures. These contracts commit the group to purchasing an amount of US dollars at a pre-agreed exchange rate at a fixed point in time, intended to match the timing and the amount of the receipt of marketing fees from US joint venture entities.

Due to their regular nature and the fact that they are from related entities, management considered these fees to represent highly probably forecast transactions at the time of entering into the contract. However due to the impact on cash flow of the joint venture entities of COVID 19, a proportion of these fees were not settled at the expected time, and as a result the hedges were considered to be ineffective.

Contracts in force during the year and at the year end are as follows:

Maturity date	USD to be paid	GBP to be received	Effective rate	Gain / (loss) on ineffective element	Fair value as at 31 July 2021
	\$'000	£'000		£'000	£'000
30 October 2020	785	590	1.3296	(20)	
29 January 2021	2,240	1,680	1.3336	30	
31 March 2021	1,445	1,082	1.3350	45	
28 May 2021	1,056	790	1.3365	33	
30 July 2021	2,250	1,681	1.3385	56	
29 October 2021	582	434	1.3412		16
				<b>144</b>	<b>16</b>

## 19 Called up share capital - Group and Company

Allotted, called up and fully paid	2021 £'000	2020 £'000
67,500,000 A1 Ordinary Shares of £0.01 each	675	675
22,500,000 B1 Ordinary Shares of £0.01 each	225	225
22,788,800 Deferred Shares of £0.01 each	228	228
5,946,106 (2020: 7,493,758) C Ordinary Shares of £0.01 each	60	75
100,000 D Ordinary Shares of £0.01 each	1	1
1,000,000 E Ordinary Shares of £0.01 each	10	10
4,044,106 (2020: 5,591,758) F Ordinary Shares of £0.01 each	40	56
	<b>1,239</b>	<b>1,270</b>

### A1 Ordinary Shares:

The A1 ordinary shares carry one vote on a written resolution and one vote on a resolution on a poll taken at a meeting. The holders of the A1 ordinary shares also have the right to vote on a resolution on a show of hands at a meeting. On a distribution of capital, the holders of A1 ordinary shares are entitled to participate in accordance with the formulae set out in the Company's articles of association. The A1 ordinary shares are not redeemable.

### B1 Ordinary Shares:

The B1 ordinary shares carry one vote on a written resolution and one vote on a resolution on a poll taken at a meeting. The holders of the B1 ordinary shares also have the right to vote on a resolution on a show of hands at a meeting. On a distribution of capital, the holders of B1 ordinary shares are entitled to participate in accordance with the formulae set out in the Company's articles of association. The B1 ordinary shares are not redeemable.

### Deferred Shares:

The Deferred shares do not carry any rights to receive notice of or to attend or vote at any general meeting of the Company or to receive a copy of or to vote on any written resolution of the Company. The holders of Deferred shares are not entitled to participate in any dividend or capital distribution. The Deferred shares are not redeemable.

### C, D, E and F Ordinary Shares:

The C, D, E and F ordinary shares do not carry any rights to receive notice of or to attend or vote at any general meeting of the Company or to receive a copy of or to vote on any written resolution of the Company. The C, D, E and F ordinary shareholders will not have any rights to participate in any distribution of capital upon winding up except in accordance with the formula set out in the Company's articles of association. The C, D, E and F ordinary shares are not redeemable. The F shares issued in the year mirror the benefits of the C shares other than participating in any distribution in the event of a partial sale. During the year a charge of £8,686 was incurred buying back 1,547,652 "C" shares and 1,547,652 "F" shares forfeited by employees leaving the company.

See Note 23.



## 20 Financial commitments

The following reflects the minimum total future commitments under operating leases for the group companies analysed by the remaining uncancellable lease term:

GROUP	2021 £'000	2020 £'000
<b>Land and Buildings:</b>		
Within one year	10,549	7,768
Between two years and five years	41,330	27,590
After five years	199,470	16,073
	251,349	51,431

COMPANY	2021 £'000	2020 £'000
<b>Land and Buildings:</b>		
Within one year	334	573
Between two years and five years	-	334
After five years	-	-
	334	907

The lease payments recognised as an expense in the year are £9,884k (2020: £7,765k).

There are debentures over assets held in INTO University Partnerships Limited, INTO Manchester Limited, INTO London World Education Centre Limited, Delta Language Training & Consultancy Limited, INTO London MDX Street LLP, Friars 607 Limited, Newincco 1306 Limited, Newincco 1183 Limited and INTO USA LP in relation to a three year Revolving Credit Facility in place with HSBC PLC. In addition, there is a Security Agreement in place with IUP2 LLP in relation to the same credit facility which grants security over its assets other than those related to INTO UEA LLP. As at 31 July 2021 none of the £40m revolving credit facility was drawn (2020: £10m). During the year the assets of INTO Newcastle University LLP were added to the debenture.

As part of the Schoolapply AG acquisition in 2020, INTO University Partnerships Limited guaranteed to existing bond holders payment of \$750k when the bonds matured in September 2021. These bonds were settled subsequent to the year end.

## 21 Related party transactions

The company has taken advantage of the exemptions available under FRS 102, not to disclose any transactions or balances with entities that are 100% controlled by INTO University Partnerships Limited.

The fundamental core of the group's business model is entering into joint venture partnerships with leading Universities to furnish overseas students with the requisite qualifications to enter onto undergraduate or postgraduate courses at those establishments. The group provides Management and Corporate Services to these partnerships.

During the year the group entered into the following transactions with related parties, and had the following balances at year end:

	2021 £'000 Sales	2021 £'000 Purchases	2021 £'000 Debtor / (Creditor)	2020 £'000 Sales	2020 £'000 Purchases	2020 £'000 Debtor / (Creditor)	Relationship
INTO UEA LLP	3,972	55	373	4,376	43	272	50% owned by INTO Group
INTO University of Exeter LLP	4,795	12	21	4,686	10	(1,137)	50% owned by INTO Group
INTO Newcastle University LLP		See below		5,917	18	(1,268)	50% owned by INTO Group until 25 November 2020 (see below)
INTO Scotland LLP	137	-	2,100	1,149	4	2,095	50% owned by INTO Group
INTO Queen's LLP	3,289	24	1,435	3,611	5	1,282	50% owned by INTO Group
INTO City LLP	5,005	93	(3,147)	1,592	949	(2,344)	50% owned by INTO Group
INTO Gloucestershire LLP	(459)	89	-	34	(27)	885	50% owned by INTO Group
INTO USF inc	3,610	451	447	4,388	53	(633)	50% owned by INTO Group
INTO Oregon State University inc	5,746	376	2,931	5,826	17	1,430	50% owned by INTO Group
INTO CSU LLC	1,633	10	4,808	1,936	42	4,544	50% owned by INTO Group
INTO Marshall LLC	502	15	4,488	1,291	310	4,356	50% owned by INTO Group
INTO Mason LLC	2,450	1,518	3,207	2,995	38	1,896	50% owned by INTO Group
INTO New York at Drew LLC	926	5	5,459	1,324	182	5,746	50% owned by INTO Group
INTO Stirling LLP	1,448	67	4,010	1,575	48	2,747	50% owned by INTO Group
Newcastle University INTO London LLP		See below		2,897	14	5,408	50% owned by INTO Group until 25 November 2020 (see below)
INTO SLU LLC	2,002	179	-	2,948	55	3,496	50% owned by INTO Group
INTO UAB LLC	891	-	4,488	1,062	(2)	4,893	50% owned by INTO Group
INTO Washington State University LLC	2,425	14	3,305	3,198	146	1,873	50% owned by INTO Group
INTO Illinois State University LLC	514	49	3,179	2,714	2	3,365	50% owned by INTO Group
INTO Suffolk LLC	2,672	895	3,490	2,695	5	2,017	50% owned by INTO Group
Espalier Ventures Limited	50	-	74	31	1,340	23	Parent Company of the INTO Group

## 21 Related party transactions (continued)

As described in Note 24, the group increased its shareholding in INTO Newcastle University LLP to 51% and assumed control of the LLP in December 2020. As a result, the results of this entity were henceforth included within the consolidated results of the group, and the group has taken advantage of the exemptions available within FRS 102 not to disclose transactions and balances with that entity. Prior to that date the group made sales of £1,770k to INTO Newcastle University LLP in the financial year.

As also described in Note 24 the group disposed of its 50% shareholding in Newcastle University London LLP at the end of November 2020. From that date the entity ceased to be a related party to the group and therefore no disclosures of transactions are therefore required. Prior to that date the group made sales of £1,490k to Newcastle University London LLP in the financial year, and purchases of £3k from the entity.

## 22 Ultimate controlling party

The company's immediate parent and ultimate parent undertaking is Espalier Ventures Limited, a company registered in the United Kingdom. The ultimate controlling party is A J Colin.

Accordingly, the largest and smallest group into which the results of the company are consolidated, as at 31 July 2021, is Espalier Ventures Limited. These financial statements are available to the public and may be obtained from the registered office at One Gloucester Place, Brighton, BN1 4AA.

## 23 Share-based payments

The company has a Management Incentive Plan ("MIP") where certain key employees and Directors have been awarded C, D, E and F shares in the company.

Details of the shares awarded are as follows:

	Total number of shares awarded	£'000
J B Sykes	741,721	7
S G Smale	2,186,219	22
D S Eastwood	258,000	2
J C Latham	1,796,868	18
All other qualifying staff	6,107,454	61
<b>Total</b>	<b>11,090,212</b>	<b>110</b>

The shares will vest on a Share Sale or Capital Return. Subject to the vesting conditions, the amount available for distribution to the shareholders is based on a defined hurdle share value. The value of the shares when the capital distribution amount exceeds the hurdle share value is determined using a formula defined in the Articles of Association of the company.

During the year no shares were granted or exercised. 1,547,652 "C" shares and 1,547,652 "F" shares were forfeited in the year. The value of the shares is determined using a capitalisation of earnings method which encapsulates the growth prospects and risks related to the future earnings. Costs are recognised over the duration of the vesting period. The company recognised a total expense of £9k related to equity share based payments in the year (2020: £nil), and an expense of £55k (2020: £73k release) related to cash settled share based payments.

## 24 Acquisition and disposals

In December 2020 the group acquired an additional 1% shareholding in INTO Newcastle University LLP, which took the group's overall shareholding to 51%. As part of the agreement relating to this purchase certain amendments were made to the LLP agreement which meant that, in the opinion of management, the LLP is now under the control of the group.

The group has therefore used acquisition accounting to account for the purchase, and the results of the LLP have been consolidated into the group's results from that date.

The following tables set out the fair values of the identifiable assets and liabilities acquired

	Fair value £'000
Tangible assets	1,132
Intangible assets	624
Cash and cash equivalents	1,013
Trade and other debtors	8,494
Trade and other creditors	(10,080)
Provisions for liabilities	(1,997)
<b>Net liabilities acquired</b>	<b>(814)</b>

No consideration was paid as a result of this transaction. The effect of the transaction within the group financial statements was to dispose of the group's share of liabilities in joint ventures of £407k and acquire net liabilities of £415k, generating a loss of £8k that was taken to the profit and loss account.

In acquiring the 51% shareholding, the accounting gave rise to a non-controlling interest in the balance sheet of £399k, representing the 49% holding of the minority shareholder in the LLP.

At the end of November 2020 the group also disposed of its interest in Newcastle University INTO London LLP (which subsequently changed its name to Newcastle University London LLP). The disposal gave rise to zero consideration. At the disposal date the group's share of the net liabilities of this entity was £3,958k and therefore a profit on disposal of £3,958k was recognised on that date, which reflected the ongoing lease commitments of the group in relation to the London space.

## 25 Subsidiaries and joint ventures of the group

The subsidiaries and joint ventures of the group are shown below together with details of their main activities.

Directly held subsidiary undertakings	Country / State of incorporation	Holding	Main activities
INTO Manchester Limited (Registered No. 06438137) * (1)	England & Wales	100%	Educational services
Delta Language Training & Consultancy Limited (Registered No. 02976005) * (1)	England & Wales	100%	Educational services
Friars 607 Limited (Registered No. 06885738) * (1)	England & Wales	100%	Investment holding Company
IUP East Anglia Limited (Registered No. 06296000) * (1)	England & Wales	100%	Investment holding Company
INTO Exeter Limited (Registered No. 05980246) * (1)	England & Wales	100%	Investment holding Company
INTO Newcastle Limited (Registered No. 06030536) * (1)	England & Wales	100%	Investment holding Company
Newincco 821 Limited (Registered No. 06556353) * (1)	England & Wales	100%	Investment holding Company
Newincco 921 Limited (Registered No. 06858769) * (1)	England & Wales	100%	Investment holding Company
Newincco 922 Limited (Registered No. 06858821) * (1)	England & Wales	100%	Investment holding Company
INTO Medical Limited (Registered No. 07601122) * (1)	England & Wales	100%	Investment holding Company
INTO UOG Limited (Registered No. 08404156) * (1)	England & Wales	100%	Investment holding Company
INTO University Partnerships (Asia) Limited (2)	Hong Kong	100%	Educational services
IUP 2 LLP (Registered No. 0C376452) * (1)	England & Wales	100%	Provision of corporate services
Newincco 1183 Limited (Registered No. 08068260) ** (1)	England & Wales	100%	Dormant
Newincco 1306 Limited (Registered No. 09083887) * (1)	England & Wales	100%	Investment holding Company
INTO GP LP (3)	Delaware, USA	100%	Investment holding Company
INTO Newcastle Line East Property Limited (Registered No. 09061279) * (1)	England & Wales	100%	Development of building projects
INTO York Property Limited (Registered No. 08848481) * (1)	England & Wales	100%	Development of building projects
INTO MAS Limited (Registered No. 09738488) * (1)	England & Wales	100%	Educational services
MAS Education S.A.S (4)	Colombia	100%	Educational services
MDX Street Former Member Limited (Registered No. 09382151) ** (1)	England & Wales	100%	Dormant
Espalier Property Project 004 Limited (Registered No. 07331859) * (1)	England & Wales	100%	Other letting and operating of own or leased real estate
Espalier Property Project 005 Limited (Registered No. 07331899) * (1)	England & Wales	100%	Other letting and operating of own or leased real estate

## 25 Subsidiaries and joint ventures of the group (continued)

Indirectly held subsidiary undertakings	Country / State of incorporation	Holding	Main activities
IUP Asia Limited (2)	Hong Kong	100%	Educational services
INTO TEFL Limited (Registered No. 07269199) * (1)	England & Wales	100%	Educational services
INTO London MDX Street LLP (Registered No. OC346266) * (1)	England & Wales	100%	Educational services
INTO China Limited (2)	Hong Kong	100%	Educational services
Guangzhou INTO Education Limited (5)	China	100%	Educational services
INTO London World Education Centre Limited (Registered No. 07956509) * (1)	England & Wales	100%	Educational services
INTO USA LP (3)	Delaware, USA	100%	Investment holding Company
INTO North America Inc (3)	Delaware, USA	100%	Provision of corporate services
International Student Education Services, Inc (6)	Delaware, USA	100%	Educational services
INTO UK Service Centre Limited ** (1)	England & Wales	100%	Dormant
INTO Global Service Centre Limited (2)	Hong Kong	100%	Educational services
Newincco 1184 Limited ** (1)	England & Wales	100%	Dormant
INTO USF LP (7)	Delaware, USA	100%	Investment holding Company
University Access Services HK Limited (2)	Hong Kong	100%	Educational services
DPU Global Limited (2)	Hong Kong	100%	Educational services
Suzhou INTO Business Consulting Co., Ltd (22)	China	100%	Educational services
DPU (Shanghai) Business Consulting Co., Ltd (23)	China	100%	Educational services
INTO Long Island LLC (24)	New York, USA	100%	Educational services
Schoolapply AG (25)	Switzerland	100%	Educational services
University Access Centre Vietnam Company Limited (26)	Vietnam	100%	Educational services
Schoolapply Inc (27)	Delaware, USA	100%	Educational services
Into Australia Pty Limited (28)	Australia	100%	Investment holding Company
Into Perth Pty Limited (28)	Australia	100%	Educational services
Into Education India Private Limited (29)	India	100%	Educational services
Into (Malaysia) SDN. BHD. (30)	Malaysia	100%	Educational services
INTO Newcastle University LLP (1)	England & Wales	51%	Educational services

## 25 Subsidiaries and joint ventures of the group (continued)

Indirectly held interests in joint ventures	Country / State of incorporation	Holding	Main activities
INTO UEA LLP (8)	England & Wales	50%	Educational services
INTO University of Exeter LLP (1)	England & Wales	50%	Educational services
INTO Scotland LLP (9)	Scotland	50%	Educational services
INTO City LLP (1)	England & Wales	50%	Educational services
INTO Queens LLP (10)	Northern Ireland	50%	Educational services
INTO Oregon State University Inc (11)	Delaware, USA	50%	Educational services
INTO USF Inc (7)	Delaware, USA	50%	Educational services
INTO CSU LLC (12)	Colorado, USA	50%	Educational services
INTO Marshall LLC (13)	West Virginia, USA	50%	Educational services
INTO New York at Drew LLC (14)	Delaware, USA	50%	Educational services
INTO Mason LLC (15)	Virginia, USA	50%	Educational services
INTO Stirling LLP (16)	Scotland	50%	Educational services
INTO SLU LLC (17)	Delaware, USA	50%	Educational services
INTO UAB LLC (18)	Alabama, USA	50%	Educational services
INTO Washington State University LLC (19)	Washington, USA	50%	Educational services
INTO Suffolk LLC (20)	Delaware, USA	50%	Educational services
INTO Illinois State University LLC (21)	Illinois, USA	50%	Educational services

## 25 Subsidiaries and joint ventures of the group (continued)

- \* exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s479A
- \*\* exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s394A in respect of Dormant Companies
- 1 Registered address: One, Gloucester Place, Brighton, BN1 4AA
- 2 Registered address: Unit 10C7, 10/F, Wing On Kowloon Centre, No. 345 Nathan Road, Jordan, Kowloon, Hong Kong
- 3 Registered address: Suite 1050, 701 B Street, San Diego, CA 92101
- 4 Registered address: Carrera 15, No 88-64, Edificio Torre Zimma, Oficina 707, Bogotá, Cundinamarca, 11011 Colombia
- 5 Registered address: Office 2002, Teem Tower, Teemai, 208 Tianhe Road, Tianhe District, Guangzhou, 510620 PR China
- 6 Registered address: Suite 305, 1610 Medical Drive, Pottstown, PA, 19464
- 7 Registered address: 4202, East Fowler Avenue, Tampa, FL, 33620
- 8 Registered address: The Registry, University of East Anglia, Norwich, Norfolk, NR4 7T
- 9 Registered address: Glasgow Caledonian University, The Britannia Building, Cowcaddens Road, Glasgow, Strathclyde, G4 0BA
- 10 Registered address: 2-8 Lennoxvale, Belfast, Co. Antrim, BT9 5BY
- 11 Registered address: 1701 SW Western Blvd, Corvallis, OR 97333
- 12 Registered address: 150 Old Main Drive, Fort Collins, CO, 80523
- 13 Registered address: One John Marshall Drive, Huntington, WV, 25755
- 14 Registered address: 26 Madison Avenue, Madison, NJ, 07940
- 15 Registered address: 4352 Mason Pond Drive, Fairfax, VA, 22030
- 16 Registered address: University of Stirling, Stirling, FK9 4LA
- 17 Registered address: Suite 110, Beracha Hall, 3721 Laclede Avenue, St Louis, MO, 63108
- 18 Registered address: Floor 2, 917 13th Street, South Birmingham, AL, 35294
- 19 Registered address: 13 Kruegel Hall, Pullman, WA, 99164
- 20 Registered address: 13th Floor, 73 Tremont Street, Boston, MA, 02108
- 21 Registered address: 304 S University St, Fell Hall, Norman, IL, 6171
- 22 Registered address: 110/111, Block 17, Wencui Plaza, Suzhou Dushu Lake Science Education and Innovation District
- 23 Registered address: Room H, Floor 17, Hengji Plaza, No. 99 East Huaihai Road, Shanghai 200021 CN
- 24 Registered address: C/O Corporation Service Company, 80 Stat Street, Albany, New York, 12209
- 25 Registered address: Bahnhofstrasse 7, CH-6300 Zug, Switzerland
- 26 Registered address: Ground Floor and Mezzanine, Anh Minh Tower, No 56 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
- 27 Registered address: Corporation Service Company, 251 Littlefields Drive, Wilmington, New Castle, DE 19808
- 28 Registered address: Level 27, 2 The Esplanade, Perth, Western Australia WA 6000, Australia
- 29 Registered address: 623, 6th Floor, Commercial Complex, DLF Tower-B, Jaso a, South Delhi, India 110025
- 30 Registered address: Unit 30-01, Level 30, Tower A, Vertical Business Suite Avenue 3 Bangsar South, No. 8 Jalan Kerinchi, Kuala Lumpur, Malaysia



## 26 Financial information for individually significant joint ventures of the group

<b>INTO UEA LLP</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Share of assets</b>		
Share of current assets	3,812	4,001
Share of fixed assets	589	613
	<u>4,431</u>	<u>4,614</u>
<b>Share of liabilities</b>		
Liabilities due within one year	(4,222)	(4,576)
Liabilities due after one year	(2,500)	-
<b>Share of net (liabilities) / assets</b>	<u>(2,291)</u>	<u>38</u>
<b>Share of turnover</b>	4,052	7,416
<b>Share of operating (loss) / profit for the financial year</b>	<u>(2,501)</u>	<u>28</u>

<b>INTO SLU LLP</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Share of assets</b>		
Share of current assets	1,239	1,143
Share of fixed assets	205	258
	<u>1,445</u>	<u>1,401</u>
<b>Share of liabilities</b>		
Liabilities due within one year	(1,343)	(5,003)
<b>Share of net assets / (liabilities)</b>	<u>102</u>	<u>(3,602)</u>
<b>Share of turnover</b>	1,384	2,380
<b>Share of operating profit / (loss) for the financial year</b>	<u>3,417</u>	<u>(757)</u>

## 27 Subsequent events

### St Louis University strategic review

Subsequent to the year end, INTO's shareholding in INTO SLU LLC increased to 100%.

Consequently, the entity will be accounted for as a subsidiary in the subsequent year's financial statements, from 1 August 2021.

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