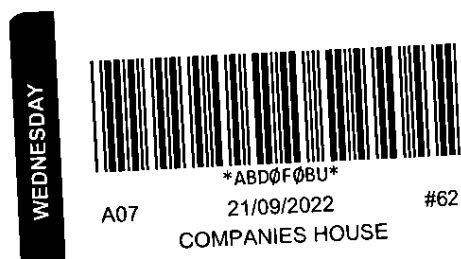


**EDU UK TOPCO LIMITED
ANNUAL REPORT
&
FINANCIAL
STATEMENTS**

31 December 2021

**Registered Number:
07285288**



EDU UK TOPCO LIMITED

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EDU UK TOPCO LIMITED
DIRECTORS AND CORPORATE INFORMATION

DIRECTORS

E Lancaster
N Williams

REGISTERED OFFICE

Brighton Study Centre
1 Billinton Way
Brighton
East Sussex
BN1 4LF

COMPANY REGISTERED NUMBER

Registered in England No. 07285288

**EDU UK TOPCO LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for EDU UK Topco Limited (the Company) for the year ended 31 December 2021. The Company is domiciled in the United Kingdom with its registered office at Brighton Study Centre, 1 Billinton Way, Brighton, East Sussex, BN1 4LF. The Company is a part of a group (the Group) which is consolidated within the financial statements of the parent company SG Global Topco Limited. The Group is headquartered in London.

During the year, the Company acted as an intermediate holding company for the Group.

BUSINESS REVIEW

The loss for the financial year was £41,456,000 (2020: profit of £613,000), predominantly as a result of a non-cash restructure of intercompany loan balances.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company acts as an intermediate holding company in the Group in which it is consolidated. It does not generate revenue from parties outside of the consolidated Group and therefore the principal risk to the Company is the ability of the trading subsidiaries of the Group to continue to generate sufficient cash to meet its financing and operating requirements.

The risks to the subsidiaries are primarily global, economic and political risks; in particular those that impact on the willingness and ability of international students to travel to their centres to study, together with regulatory changes that may impede the ability of international students to study abroad.

These are discussed further in the SG Global Topco Limited statutory accounts which are held at 1 Billinton Way, Brighton, BN1 4LF.

FUTURE DEVELOPMENTS

The Company will continue to operate as an intermediate holding company.



**N Williams
Director**

6 September 2022

**EDU UK TOPCO LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

GENERAL INFORMATION

EDU UK Topco Limited is an intermediate holding company registered in England and Wales with the company number 07285288.

PRINCIPAL ACTIVITIES

The Company is an indirect subsidiary of SG Global Topco Limited, which is the parent company of the Group. The principal activity of the Company is that of an intermediate holding company. The Group's principal activity is that of a private international education provider.

DIRECTORS

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

E Lancaster
N Williams

DIRECTORS' INDEMNITY PROVISION

The Group maintains liability insurance for all its Directors and officers including those acting in and on behalf of wholly owned subsidiaries, which includes this Company. The Company has also provided an indemnity for its Directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity has been in place throughout the financial year and is in place as at the date of this report.

RESULTS AND DIVIDENDS

The loss for the financial year was £41,456,000 (2020: profit of £613,000).

The Company has taken advantage of the exemptions available for small businesses in choosing to not disclose dividends paid.

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise intercompany balances arising directly from its operations. The Company's financial liabilities comprise intercompany creditors. The Company also has financial assets comprising intercompany debtors.

It is, and has been throughout the year under review, the Company's policy that no speculative trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have been reviewed and remain unchanged.

Interest rate risk

The Company charges interest on its long-term intercompany loans at a fixed rate of interest, and furthermore the long-term intercompany loan was fully settled during the prior year, therefore the interest rate risk is deemed low.

Liquidity risk

The Group holds the responsibility for the Company's liquidity risk. Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Group, who have built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group actively monitors compliance with its covenants relating to the Group term loans.

**EDU UK TOPCO LIMITED
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Foreign currency risk

The Company's intercompany debtors and creditors are predominantly with other Group companies based in the UK and are denominated in Pound Sterling. Therefore foreign currency risk is deemed low.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year (2020: £nil).

CHARITABLE CONTRIBUTIONS

The Company made no charitable contributions during the year (2020: £nil).

GOING CONCERN

The global economy has been and remains affected by the Covid-19 pandemic and the emergence of new variants. The Company's Directors are actively engaged in regularly monitoring the changes in all national and local government issued guidance and regulation. It is not currently possible to accurately determine how long the outbreak and associated disruption will continue. Whilst the Company's operation is not directly affected by the pandemic, the performance of a number of its investments are more directly impacted and the Directors continue to monitor the effect that a change in performance of these investments would have on the results of the Company. The Company is keeping its resource levels and investments under close review in order to respond as flexibly as possible as the situation evolves. The Board is confident that its sound financial and market position, together with its proactive management of the impact of the outbreak, will ensure that the Group will manage through the situation and will emerge strongly.

The Directors have assessed the situation regarding the conflict in Ukraine and currently this is having minimal impact on the activities of the Company's trading subsidiaries, as neither Russia, Belarus, or Ukraine are key source markets for students nor does the Group place significant reliance on these regions for staff or other business resources.


Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

EVENTS AFTER THE BALANCE SHEET DATE

Events between the balance sheet date and the date the financial statements were issued are disclosed in Note 12.

AUDIT EXEMPTION

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.



**N Williams
Director**

6 September 2022

EDU UK TOPCO LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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



N Williams
Director

6 September 2022

EDU UK TOPCO LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Administrative expenses		<u>(41,456)</u>	<u>-</u>
Operating loss		(41,456)	-
Finance income	2	-	952
(Loss)/profit on ordinary activities before taxation		<u>(41,456)</u>	<u>952</u>
Tax charge	3	-	(339)
(Loss)/profit for the financial year		<u>(41,456)</u>	<u>613</u>
TOTAL COMPREHENSIVE LOSS/(PROFIT)		<u>(41,456)</u>	<u>613</u>

EDU UK TOPCO LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
NON-CURRENT ASSETS			
Investments	4	234,841	234,841
Deferred tax assets	5	-	-
		<u>234,841</u>	<u>234,841</u>
CURRENT ASSETS			
Trade and other receivables	6	<u>26,776</u>	<u>26,872</u>
		26,776	26,872
CURRENT LIABILITIES			
Trade and other creditors	7	<u>(41,466)</u>	<u>(106)</u>
		(41,466)	(106)
NET CURRENT (LIABILITIES)/ASSETS		<u>(14,690)</u>	<u>26,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		220,151	261,607
NET ASSETS		<u>220,151</u>	<u>261,607</u>
CAPITAL AND RESERVES			
Called up share capital	8	900	900
Share premium		101,623	101,623
Accumulated profits		117,628	159,084
TOTAL SHAREHOLDERS' FUNDS		<u>220,151</u>	<u>261,607</u>

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the Financial Statements

These financial statements of EDU UK Topco Limited, Company Registration Number 07285288, on pages 6 to 13 were approved by the Board of Directors and signed on its behalf by:



N Williams
Director

6 September 2022

EDU UK TOPCO LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

2021	Share capital	Share Premium	Accumulated Profits	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2021	900	101,623	159,084	261,607
Loss for the year	-	-	(41,456)	(41,456)
Balance at 31 December 2021	900	101,623	117,628	220,151

2020	Share capital	Share Premium	Accumulated Profits	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	900	101,623	158,471	260,994
Profit for the year	-	-	613	613
Balance at 31 December 2020	900	101,623	159,084	261,607

EDU UK TOPCO LIMITED

NOTES TO FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 GENERAL INFORMATION

EDU UK Topco Limited is a company incorporated and domiciled in the UK. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') on the historical cost basis.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ('Adopted IFRS'), but makes amendments where necessary in order to comply with the Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- the requirements of IAS 24 Related Party Transactions and has, therefore, not disclosed transactions between the Company and its wholly owned subsidiaries;
- disclosure requirements concerning situations when an entity has not applied a new IFRS that has been issued but is not yet effective;
- a statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead); and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

1.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE FROM 1 JANUARY 2021

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 which have had a material impact on the Company.

1.4 GROUP FINANCIAL STATEMENTS

The financial statements contain information about EDU UK Topco Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of the parent company of the Group, SG Global Topco Limited. The consolidated financial statements of SG Global Topco Limited are prepared in accordance with UK-adopted International Accounting Standards and are available to the public and may be obtained from Brighton Study Centre, 1 Billinton Way, Brighton, East Sussex, BN1 4LF.

1.5 INVESTMENTS

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment. Assets that have an indefinite useful life are tested for impairment when a trigger event occurs. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, which is considered to be the higher of its value in use and fair value less costs to sell. In order to assess impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows.

1.6 TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the Statement of Comprehensive Income.

1.7 TRADE AND OTHER PAYABLES

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

EDU UK TOPCO LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)

1.8 TAXATION INCLUDING DEFERRED TAX

Corporation tax, where payable, is provided on taxable profits at the current rate. Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and liabilities have not been discounted.

1.9 FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, market interest rates, credit risk and its liquidity position. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company which is outlined in the Directors' Report.

1.10 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Going Concern and Principal Risks and Uncertainties section of the Strategic Report on page 2 and the Directors' Report on page 4.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.11 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded in GBP at the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from such transactions are recognised in the Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and any exchange differences are taken to the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to foreign currency loans and other foreign exchange adjustments are included within finance income and expenses.

EDU UK TOPCO LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)

2. FINANCE INCOME

	2021 £'000	2020 £'000
Interest income – intercompany loans	-	704
Exchange gains	-	248
	<u>-</u>	<u>952</u>

3. TAXATION

Analysis of tax charge in the year

Current tax	2021 £'000	2020 £'000
UK corporation tax on profits for the year	-	(70)
Total current tax charge	-	(70)

Deferred tax (Note 5)	2021 £'000	2020 £'000
(Charge)/credit to the P&L:		
Deferred tax charge	-	-
Current year under provision	-	(269)
Total deferred tax charge	-	(269)

Total tax charge to the Statement of Comprehensive Income	<u>-</u>	<u>(339)</u>
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Reconciliation of effective tax rates

	2021 £'000	2020 £'000
(Loss)/profit on ordinary activities before tax	<u>(41,456)</u>	<u>952</u>
(Loss)/profit on ordinary activities multiplied by rate of corporation tax in the UK of 19.00% (2020: 19.00%)	7,877	(181)
Effects of:		
Items not taxable or deductible	(7,877)	(269)
No group relief payment or receipt from prior years used	-	111
Total current tax charge	<u>-</u>	<u>(339)</u>

EDU UK TOPCO LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)

4. INVESTMENTS

	Investments in subsidiaries £'000
Cost	
At 1 January 2021	<u>234,841</u>
At 31 December 2021	<u>234,841</u>
Provisions	
At 1 January 2021	<u>-</u>
At 31 December 2021	<u>-</u>
Net book value at 31 December 2021	<u>234,841</u>
Net book value at 31 December 2020	<u>234,841</u>

The Directors believe that the carrying value of the investments at year end is supported by their underlying assets.

A summary of the Company's direct investments at the balance sheet date is as follows:

Name of Entity	Country of Incorporation	Nature of Business	Ownership 2021 %	Ownership 2020 %
EDU UK Intermediate Limited	United Kingdom	Holding company	100	100

5. DEFERRED TAX ASSET

	2021 £'000	2020 £'000
Balance at the beginning of the year	-	269
Charge to the P&L:		
Unused tax losses	<u>-</u>	<u>(269)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>

The Company has unrecognised deferred tax assets relating to historical tax losses that are unlikely to reverse in the foreseeable future, these amount to £190,000 (2020: £190,000).

EDU UK TOPCO LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)

6. TRADE AND OTHER RECEIVABLES DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	26,776	26,646
Other receivables	-	226
	<u>26,776</u>	<u>26,872</u>

7. TRADE AND OTHER CREDITORS DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts owed to group undertakings	41,466	106
	<u>41,466</u>	<u>106</u>

8. SHARE CAPITAL

	2021		2020	
	Number of shares	£	Number of shares	£
<i>Ordinary shares authorised, allotted and issued of £1 each</i>				
Balance at the beginning of the year	899,541	899,541	899,541	899,541
Balance at 31 December	<u>899,541</u>	<u>899,541</u>	<u>899,541</u>	<u>899,541</u>

9. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There are no employees of the Company other than the Directors. The Directors are remunerated through other group companies.

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is SG Global Bidco Limited.

The ultimate parent undertaking and controlling party is Ardian LBO Fund VI B S.L.P, a Limited Partnership with a separate legal identity registered and resident in France, with registered office at 20 place Vendôme, 75 001 Paris, France.

The parent company of the largest consolidated group is SG Global Topco Limited. The consolidated accounts are available from 1 Billinton Way, Brighton, BN1 4LF.

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in IAS 24 from the requirement to disclose transactions between the Company and its wholly owned subsidiaries.

12. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events that are required to be disclosed occurring between the Balance Sheet date and the date of signing of these financial statements.