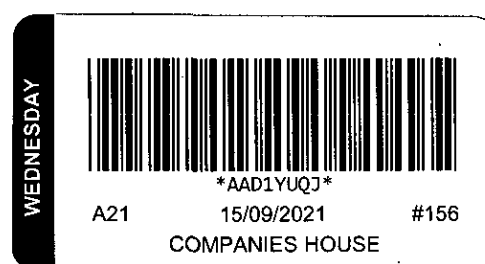


REGISTERED NUMBER: 07315041 (England and Wales)

Education Personnel Holdco Limited
Strategic Report, Directors' Report and
Financial Statements for the Year Ended 30th November 2020



Education Personnel Holdco Limited

Contents of the Financial Statements for the Year Ended 30th November 2020

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Education Personnel Holdco Limited

Company Information

for the Year Ended 30th November 2020

DIRECTORS:

John Bowman
Jonathan Roback

SECRETARY:

Jonathan Roback

REGISTERED OFFICE:

99 Bridge Road East
Welwyn Garden City
Hertfordshire
AL7 1GL

REGISTERED NUMBER:

07315041 (England and Wales)

Education Personnel Holdco Limited

Strategic Report for the Year Ended 30th November 2020

The directors present their strategic report for the year ended 30th November 2020.

REVIEW OF BUSINESS

The results for the year and financial position at the end of the year are as shown in these financial statements. The Company is an intermediate holding company. Reporting of principal risks and uncertainties and key performance indicators have been undertaken at a group level and are disclosed in the group directors' report of Arthur Topco Limited.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

The Company is part of the Arthur Topco Limited group (the "Group"). The Company has net assets of £2.6 million (2019: £2.6 million), net current assets of £0.8 million (2019: £0.8 million), and loss for the year then ended amounting to £9,000 (2019: £10,000).

The Company's ability to continue to operate as a going concern is directly linked to the Group position as all of the subsidiaries including the company share the same financing facilities as the Group and the Company is joint guarantor of the loans acquired by the Group.

The Board of the Group undertook an assessment of the ability of the Group to continue in operation and meet its liabilities as they fall due over a period up to 30 November 2022. The Group's assessment was made available to the Directors of the Company. The Directors did not consider that this assessment indicated the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The Group have provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the 12 months from the date of signing these financial statements by meeting its liabilities as they fall due for payment.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

GOING CONCERN ASSESSMENT BY THE BOARD OF ARTHUR TOPCO LIMITED

Notwithstanding net liabilities of the group of £205.3 million at 30 November 2020 (2019: £157.7 million) and losses of £47.6 million for the year then ended (2019: £34.2 million), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The losses mainly comprise the non-cash interest expense of £39.6 million in respect of loan notes and amortisation of goodwill of £16.2 million. The net liabilities position is largely the result of the accrued interest charge explained above which is not payable until 2025.

Education Personnel Holdco Limited

Strategic Report

for the Year Ended 30th November 2020

GOING CONCERN ASSESSMENT BY THE BOARD OF ARTHUR TOPCO LIMITED - continued

As with all organisations, the Group is facing up to the challenges posed by the COVID-19 pandemic and this has been considered as part of the going concern assessment. The Directors have prepared cash flow forecasts for the 18 month period to 30 November 2022 which indicate that, taking account of plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period.

In preparing these forecasts, the Directors have considered the impact of COVID-19 and in particular the impact of school closures, mitigated in part by Government announcements for additional funding to support the learning of pupils and catch-up premium to close the attainment gap which has widened as a result of the pandemic. From March 2021 all schools were expected to deliver a full curriculum to those attending school and those who are educated in alternative settings, but also provide alternative arrangements for pupils unable to attend school as a result of COVID-19 in order that they continue to receive educational support.

Specifically, the Directors have considered a severe but plausible downside scenario in which:

- Trading levels will continue to be suppressed for the 2021 and 2022 financial years. The downside assessment for the second half of the year reflects the continued delivery of education but is at 67% of the budgeted EBITDA levels or base case scenario. In the 2022 financial year the downside scenario assumes trading levels will continue at 70% of the budgeted levels or base case scenario. Since the school re-opening in March 2021 the Group has operated at or above budgeted levels and there is no indication that the Group will not be able to achieve its budget / base case scenario. However given the uncertainty around COVID-19 the budgets have been discounted at 33% and 30% for the remainder of financial year 2021 and for financial year 2022 respectively. The Group does not expect any major school shutdowns, any shut-down in schools is expected to be for short periods only and replaced by the provision of alternative teaching arrangements, including support in the provision of online learning;
- Trading has been forecast from the committed National Tutoring Programme, but the Group has not assumed any additional growth from the recent funding announced to support schools through the impacts of COVID-19;
- No cost savings beyond those already enacted by the Group are included in the downside scenario and no further government support schemes for businesses are utilised.

The group's mitigation strategies have included the cash benefit arising from the government's COVID-19 support programme to allow deferral of VAT payments up to March 2021.

The Group is funded by a combination of available cash balances, external loan funding and shareholder loans and is subject to financial covenants in relation to the external loans. The Directors have assessed the Group's ability to comply with these financial covenants based on the forecasts described above and concluded that the Group will be in compliance even in the severe but plausible downside.

Education Personnel Holdco Limited

Strategic Report

for the Year Ended 30th November 2020

GOING CONCERN ASSESSMENT BY THE BOARD OF ARTHUR TOPCO LIMITED - continued

Consequently, the Directors are confident that the Group and Company/Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

BY ORDER OF THE BOARD:



.....
Jonathan Roback - Director

Date: 20 August 2021

Education Personnel Holdco Limited

Directors' Report for the Year Ended 30th November 2020

The directors present their report with the financial statements of the company for the year ended 30th November 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company for Education Personnel Share Trust Limited and Education Personnel Bidco Limited. Education Personnel Bidco Limited is a holding company for the Teaching Personnel and Protocol Education groups. The principal activities of Teaching Personnel and Protocol Education were that of the provision of teaching staff to schools.

DIVIDENDS

No dividends will be distributed for the year ended 30th November 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st December 2019 to the date of this report.

John Bowman
Jonathan Roback

FINANCIAL INSTRUMENTS

The company is a holding company whose sole exposure is to other group companies and therefore its exposure is determined by the exposure elsewhere in the group. For further details please refer to the consolidated financial statements of Arthur Topco Limited which can be obtained from the registered office address.

POLITICAL DONATIONS AND EXPENDITURE

The company made no political donations or incurred any political expenditure during the year (2019: nil)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Education Personnel Holdco Limited

Directors' Report

for the Year Ended 30th November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

BY ORDER OF THE BOARD:



Jonathan Roback - Director

Date: 20 August 2021

Education Personnel Holdco Limited

Statement of Comprehensive Income for the Year Ended 30th November 2020

	Notes	2020 £'000	2019 £'000
TURNOVER		<u>-</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		-	-
Tax on profit	5	<u>(9)</u>	<u>(10)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(9)</u>	<u>(10)</u>

The notes form part of these financial statements

Education Personnel Holdco Limited (Registered number: 07315041)

Balance Sheet
30th November 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Investments	6	1,822	1,822
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	2,727	2,726
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(1,922)</u>	<u>(1,912)</u>
NET CURRENT ASSETS		<u>805</u>	<u>814</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,627</u>	<u>2,636</u>
CAPITAL AND RESERVES			
Called up share capital	9	4	4
Share premium		69	69
Capital contribution reserve		1,822	1,822
Retained earnings		<u>732</u>	<u>741</u>
SHAREHOLDERS' FUNDS		<u>2,627</u>	<u>2,636</u>

The notes form part of these financial statements

Education Personnel Holdco Limited (Registered number: 07315041)

Balance Sheet - continued 30th November 2020

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30th November 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30th November 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue

on 20 August 2021 and were signed on its behalf by:



Jonathan Roback - Director

The notes form part of these financial statements

Education Personnel Holdco Limited

Statement of Changes in Equity for the Year Ended 30th November 2020

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital contribution reserve £'000	Total equity £'000
Balance at 1st December 2018	4	751	69	1,822	2,646
Changes in equity					
Deficit for the year	-	(10)	-	-	(10)
Total comprehensive income	-	(10)	-	-	(10)
Balance at 30th November 2019	<u>4</u>	<u>741</u>	<u>69</u>	<u>1,822</u>	<u>2,636</u>
Changes in equity					
Deficit for the year	-	(9)	-	-	(9)
Total comprehensive income	-	(9)	-	-	(9)
Total transactions with owners, recognised directly in equity	-	-	-	-	-
Balance at 30th November 2020	<u>4</u>	<u>732</u>	<u>69</u>	<u>1,822</u>	<u>2,627</u>

The notes form part of these financial statements

Education Personnel Holdco Limited

Notes to the Financial Statements for the Year Ended 30th November 2020

1. STATUTORY INFORMATION

Education Personnel Holdco Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

The financial statements have been prepared on a going concern basis, which the Directors consider to be appropriate for the following reasons.

The Company is part of the Arthur Topco Limited group (the "Group"). The Company has net assets of £2.6 million (2019: £2.6 million), net current assets of £0.8 million (2019: £0.8 million), and loss for the year then ended amounting to £9,000 (2019: £10,000).

The Company's ability to continue to operate as a going concern is directly linked to the Group position as all of the subsidiaries including the company share the same financing facilities as the Group and the Company is joint guarantor of the loans acquired by the Group.

The Board of the Group undertook an assessment of the ability of the Group to continue in operation and meet its liabilities as they fall due over a period up to 30 November 2022. The Group's assessment was made available to the Directors of the Company. The Directors did not consider that this assessment indicated the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The Group have provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the 12 months from the date of signing these financial statements by meeting its liabilities as they fall due for payment.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

GOING CONCERN ASSESSMENT BY THE BOARD OF ARTHUR TOPCO LIMITED

Notwithstanding net liabilities of the group of £205.3 million at 30 November 2020 (2019: £157.7 million) and losses of £47.6 million for the year then ended (2019: £34.2 million), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The losses mainly comprise the non-cash interest expense of £39.6 million in respect of loan notes and amortisation of goodwill of £16.2 million. The net liabilities position is largely the result of the accrued interest charge explained above which is not payable until 2025.

As with all organisations, the Group is facing up to the challenges posed by the COVID-19 pandemic and this has been considered as part of the going concern assessment. The Directors have prepared cash flow forecasts for the 18 month period to 30 November 2022 which indicate that, taking account of plausible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period.

In preparing these forecasts, the Directors have considered the impact of COVID-19 and in particular the impact of school closures, mitigated in part by Government announcements for additional funding to support the learning of pupils and catch-up premium to close the attainment gap which has widened as a result of the pandemic. From March 2021 all schools were expected to deliver a full curriculum to those attending school and those who are educated in alternative settings, but also provide alternative arrangements for pupils unable to attend school as a result of COVID-19 in order that they continue to receive educational support.

Specifically, the Directors have considered a severe but plausible downside scenario in which:

- Trading levels will continue to be suppressed for the 2021 and 2022 financial years. The downside assessment for the second half of the year reflects the continued delivery of education but is at 67% of the budgeted EBITDA levels or base case scenario. In the 2022 financial year the downside scenario assumes trading levels will continue at 70% of the budgeted levels or base case scenario. Since the school re-opening in March 2021 the Group has operated at or above budgeted levels and there is no indication that the Group will not be able to achieve its budget / base case scenario. However given the uncertainty around COVID-19 the budgets have been discounted at 33% and 30% for the remainder of financial year 2021 and for financial year 2022 respectively. The Group does not expect any major school shutdowns, any shut-down in schools is expected to be for short periods only and replaced by the provision of alternative teaching arrangements, including support in the provision of online learning;
- Trading has been forecast from the committed National Tutoring Programme, but the Group has not assumed any additional growth from the recent funding announced to support schools through the impacts of COVID-19;
- No cost savings beyond those already enacted by the Group are included in the downside scenario and no further government support schemes for businesses are utilised.

The group's mitigation strategies have included the cash benefit arising from the government's COVID-19 support programme to allow deferral of VAT payments up to March 2021.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued **for the Year Ended 30th November 2020**

GOING CONCERN ASSESSMENT BY THE BOARD OF ARTHUR TOPCO LIMITED - continued

The Group is funded by a combination of available cash balances, external loan funding and shareholder loans and is subject to financial covenants in relation to the external loans. The Directors have assessed the Group's ability to comply with these financial covenants based on the forecasts described above and concluded that the Group will be in compliance even in the severe but plausible downside.

Consequently, the Directors are confident that the Group and Company/Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Education Personnel Holdco 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 requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Arthur Topco Limited, 99 Bridge Road East, Welwyn Garden City, Hertfordshire, AL7 1GL.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

There are no judgments made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

2. ACCOUNTING POLICIES - continued

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

2. ACCOUNTING POLICIES - continued

Impairment excluding deferred tax assets - continued

Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognized on goodwill is not reversed. An impairment loss recognized for other assets is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provision

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

2. ACCOUNTING POLICIES - continued

Profit and loss

The loss for the current and preceding period is derived from continuing activities.

There is no difference between the historical cost profit and loss and that presented in the statement of comprehensive income.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 30th November 2020 nor for the year ended 30th November 2019.

The average number of employees during the year was NIL (2019 - NIL).

4. DIRECTORS' EMOLUMENTS

The emoluments of the directors are paid by other group companies. These directors' services to the company are of a non-executive nature and their emoluments are deemed to be insignificant.

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

5. TAXATION

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
UK corporation tax				
Current tax on income for the year	<u>9</u>		<u>10</u>	
Total current tax		9		10
Deferred tax				
Origination/reversal of timing differences	<u>-</u>		<u>-</u>	
Total deferred tax		-		-
Total tax	<u>9</u>		<u>10</u>	

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£'000	£'000
Profit before tax	<u>-</u>	<u>-</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	-	-
Effects of :		
Transfer pricing adjustments	9	10
Group relief claimed	(9)	(10)
Payment due for group relief	<u>9</u>	<u>10</u>
Total tax charge	<u>9</u>	<u>10</u>

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1st December 2019 and 30th November 2020	<u>1,822</u>
NET BOOK VALUE	
At 30th November 2020	<u>1,822</u>
At 30th November 2019	<u>1,822</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Education Personnel Bidco Limited

Registered office: UK

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary shares	100.00

Education Personnel Share Trust Limited

Registered office: UK

Nature of business: Held shares in trust

	%
Class of shares:	holding
Ordinary shares	100.00

Indirectly held subsidiary undertakings:

Subsidiary undertaking	Principal activity	Percentage held/class
Teaching Personnel Holdings Limited - UK	Holding company	100% ordinary shares
Teaching Personnel Loans Limited - UK	Holding company	100% ordinary shares
Personnel Holdings Limited - UK	Holding company	100% ordinary shares
Teaching Personnel Limited - UK	Provision of teaching staff	100% ordinary shares
Protocol Education Limited - UK	Provision of teaching staff	100% ordinary shares

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Amounts owed by group undertakings	<u>2,727</u>	<u>2,726</u>

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Amounts owed to group undertakings	<u>1,922</u>	<u>1,912</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020 £'000	2019 £'000
Number:	Class:	Nominal value:		
404,015	Ordinary shares	£0.01	<u>4</u>	<u>4</u>

10. ULTIMATE PARENT COMPANY

Arthur Topco Limited is regarded by the directors as being the company's ultimate parent company.

The company is a subsidiary undertaking of Supporting Education Group Limited, incorporated in the UK. The ultimate parent company is Arthur Topco Limited, for which there is no ultimate controlling party.

The largest group and smallest group in which the results of the company are consolidated is that headed by Arthur Topco Limited, incorporated in the UK. The consolidated accounts of Arthur Topco Limited are available to the public and may be obtained from Company Secretary, Arthur Topco Limited, 99 Bridge Road East, Welwyn Garden City, Hertfordshire, AL7 1GL.

11. CONTINGENT LIABILITIES

The company is co-guarantor, along with other companies in the group for the payment or repayment of money, whether present or future, actual or contingent, joint or several including principal, interest, commission, fees, other charges and overdrafts to certain providers of finance. The net amount outstanding in the group for which the company is co-guarantor as at 30 November 2020 was £71,128,000 (2019: £81,042,000).

12. CAPITAL COMMITMENTS

	2020 £'000	2019 £'000
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

Education Personnel Holdco Limited

Notes to the Financial Statements - continued for the Year Ended 30th November 2020

13. SUBSEQUENT EVENTS

COVID-19

The COVID-19 outbreak has continued to cause disruption world wide with levels of infection still high in 2021. Measures taken by the UK government to contain the virus, including closing all schools in early 2021 to all bar the children of key workers and those with an Education and Health Care Plan (EHCP) have caused interruptions to trading across the Arthur Topco Group.

As a result, revenue in financial year ending November 2021 to date has been negatively impacted. Although all trading companies across the group have maintained a level of business, this has been lower than forecast. The companies in the group have continued to collect cash and service debt and the group maintains a strong financial position.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the group may experience further negative results. However, with all schools reopening in March 2021 and additional funding to schools by the government to counteract the impact of lost teaching time, the directors are optimistic that trading can return to normal for the summer term 2021.

Refinance of group loans

Subsequent to the year ending 30th November 2020, the group has refinanced its loans. The Company is joint guarantor of the new loans acquired by the Group.