Registered number: 07485685

HIBERNIA COLLEGE UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

COMPANY INFORMATION

Directors	R Williams (appointed 14 September 2020) P Simpson
Registered number	07485685
Registered office	26 Red Lion Square London England WC1R 4HQ
Independent auditor	Deloitte LLP Statutory Auditor 1 City Square Leeds LS1 2AL

HIBERNIA COLLEGE UK LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Directors present their report and the audited financial statements for the year ended 31 August 2021.

Principal activities

The principal activity of the Company is the provision of accredited, web based, third level education qualifications.

Results and dividends

The profit for the year, after taxation, amounted to £361k *(2020: £2,565k)*.

Revenue fell by 23% in the year to £7,405k due to a reduction in the SKE (Subject Knowledge Enhancement) programme funding provided by the Department for Education. The Company achieved an operating loss of £29k *(2020: operating profit of £2,745k)* and a profit after tax of £361k *(2020: £2,565k)*, largely as a result of this funding reduction.

The Directors do not recommend the payment of a dividend *(2020: £nil)*.

The financial performance of the Company is set out in these financial statements. Financial performance of the Group as a whole, for the year ended 31 August 2021, is set out in the consolidated financial statements of Tes Topco Limited. The Group (Tes Topco Limited and its subsidiaries) is a global digital education technology business providing a range of essential software and services.

Directors

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

R Williams (appointed 14 September 2020)
S Pinches (resigned 30 September 2020)
P Simpson

Directors' and officers' indemnity

The Company maintains qualifying third-party liability insurance for its Directors and officers is in place throughout the year and up to the date of signing the financial statements.

Going concern

The directors have considered the trading position of the company and its business risks and have prepared a cash flow forecast for a period of 12 months from the date of approval of the financial statements for Caribou Bidco Limited and its subsidiaries which included this entity, including considering a severe but plausible downside case. The Company benefits from Tes group financial strength and funds are provided as required by the Company. Based on the cash flow analysis performed for the group and subsidiaries. A letter of support had been obtained from Caribou Bidco Limited who have confirmed that they will continue to support the Company and provide any further funds, if required, for a period of a least 12 months from the date of approval of these financial statements. The Directors have reviewed the ability and likelihood of Caribou Bidco Limited to provide the aforementioned financial support and have noted that the support is available if it is needed by the Company.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of approving these financial statements. The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

Principal risks and uncertainties

The principal risks and uncertainties, including financial risks, facing the business are set out below:

Market risk

Changes in student turnover influence the Company's revenue and therefore future performance may be affected by changes in student demand. The Company performs regular reviews of its offerings to ensure it is attracting enough students.

Competitive risk

The main competitive threats facing the Company are from current competitors and potential new entrants into the market. In the opinion of the Directors, the Company has sufficiently well-established positions in the local markets within which it operates to depend against potential threats.

Cash flow / liquidity risk

There is a risk that the Company does not have sufficient cash reserves to continue its' trade or cover its liabilities. The Company has sufficient funds to cover liabilities as they fall due. The Group, of which the Company belongs to, has access to a £25m revolving credit facility, which is reasonably expected to be made available to the Company, if required. As at 31 August 2021, there was no RCF drawn.

Interest rate risk

All material interest relates to intercompany balances. Whilst subject to change this is controlled and managed on a group-wide basis.

COVID-19

The Company continues to monitor the impact of the global pandemic and continues to follow ongoing Government guidance. There is no material adverse impact of the pandemic on the Company.

Small company

In preparing this report, the Directors have taken advantage of the small companies exemption provided by Section 415A of the Companies Act 2006.

Events after the reporting date

On 5 December 2021, Caribou Bidco Limited, a Company owned and controlled by Onex Partners agreed to purchase the entire share capital of TTCL and its subsidiaries from Tes Holdings Sarl, a company owned and controlled by Providence Equity Partners LLP. Following this initial exchange of contracts, the purchase was subsequently completed on 2 February 2022.

On completion of the sale to Onex, the Group's liabilities to the bank and its previous shareholders of £177,000k and £30,000k respectively, we settled in full. A new bank loan facility of £340,000k was drawn by Caribou Bidco Limited at completion.

No other material events have taken place subsequent to the reporting date.

Future developments

There were no major changes in business activities during the year and no significant changes are expected in the coming year.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

In June 2021 the Directors appointed Deloitte LLP as the external auditors. The auditors will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 8 March 2022 and signed on its behalf.

P Simpson
Director

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Hibernia College UK Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, and relevant pensions and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the UK Bribery Act, the Data Protection Act and UK employment and health and safety law.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Capitalisation of development costs. Hibernia College UK Limited capitalises into intangible assets internal time costs spent developing the Group's products which are sold to customers. Capitalising more development costs would increase profit and there is therefore an incentive exists to commit fraud to report better than expected financial results by capitalising an inappropriately high amount of development costs into intangible assets. In response to this risk, we tested a sample of capitalised costs, and agreed the costs to employee salary information and we reviewed the percentage of time allocated for the employee by discussing these with relevant line managers and project managers for the products selected. We tested a sample of products and projects by discussing their use and benefit with the project manager and observed demonstrations of the capitalised project to confirm that the project could feasibly be completed and generate economic benefit for the group. We also tested management's key control to mitigate against the risk.

Auditor's responsibilities for the audit of the financial statements (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our 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.

Matthew Hughes

Matthew Hughes BSc (Hons) ACA
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
8 March 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £'000	*2020* *£000*
Revenue	2	**7,405**	*9,603*
Cost of sales		**(3,607)**	*(3,450)*
Gross profit		**3,798**	*6,153*
Other income	3	**-**	*4*
Administrative expenses		**(3,827)**	*(3,412)*
Operating (loss)/profit	3	**(29)**	*2,745*
Interest receivable and similar income	5	**569**	*522*
Interest payable and similar expenses	6	**(59)**	*(100)*
Profit before taxation		**481**	*3,167*
Tax on profit	7	**(120)**	*(602)*
Profit and total comprehensive income for the financial year		**361**	*2,565*

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

	Note	2021 £000	*Restated 2020* £000*
Non-current assets			
Intangible assets	9	**550**	*615*
Trade and other receivables	10	**9,312**	*8,658*
		9,862	*9,273*
Current assets			
Trade and other receivables	10	**756**	*1,698*
Cash and cash equivalents		**1,567**	*4,083*
		2,323	*5,781*
Current liabilities			
Trade and other payables	11	**(3,881)**	*(7,111)*
Net current (liabilities)/assets		**(1,558)**	*(1,330)*
Net assets		**8,304**	*7,943*
Capital and reserves			
Called up share capital	12	**-**	*-*
Retained earnings		**8,304**	*7,943*
Total Equity		**8,304**	*7,943*

* The comparative information has been restated as a result of the prior period error as discussed in note 15.

The financial statements on pages 7 to 24 were approved and authorised for issue by the Board of Directors on 8 March 2022 and signed on its behalf by

P Simpson
Director

The notes on pages 10 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 September 2020	**-**	**7,943**	**7,943**
Comprehensive income for the year			
Profit for the year	-	361	361
Total comprehensive income for the year	**-**	**361**	**361**
At 31 August 2021	**-**	**8,304**	**8,304**

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 September 2019	**-**	**4,892**	**4,892**
Effect of prior year error	-	486	486
Balance at 1 September 20 restated*	**-**	**5,378**	**5,378**
Comprehensive income for the year			
Profit for the financial year	-	2,565	2,565
Total comprehensive income for the year	**-**	**2,565**	**2,565**
At 31 August 2020 (As previously stated)	**-**	**7,943**	**7,943**

* The comparative information has been restated as a result of the prior period error as discussed in note 15.

The notes on pages 10 to 24 form part of these financial statements.

1. Accounting policies

1.1 Reporting entity

Hibernia College UK Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom and domiciled in England and Wales. The Company's registered office is 26 Red Lion Square, London, England, WC1R 4HQ. The Company's principal activity is the provision of accredited, web-based, third level education qualifications.

1.2 Basis of preparation of financial statements

The financial statements of Hibernia College UK Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101).

The Company is a wholly owned subsidiary of Tes Topco Limited and is included in the consolidated financial statements of Tes Topco Limited. The financial statements have been prepared in accordance with Companies Act 2006 as applicable to companies using FRS101, and under the historical cost convention.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- IAS 7 Statement of Cash Flows;
- The requirements in IAS 24 Related Party Disclosures, to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D,111 and 134-136 of IAS 1 Presentation of Financial Statements; and
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 118(e) of IAS 38 Intangible Assets.

Accounting policies have been applied consistently throughout these financial statements, other than where new policies have been adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Going concern

The directors have considered the trading position of the company and its business risks and have prepared a cash flow forecast for a period of 12 months from the date of approval of the financial statements for Caribou Bidco Limited and its subsidiaries which included this entity, including considering a severe but plausible downside case. The Company benefits from Tes group financial strength and funds are provided as required by the Company. Based on the cash flow analysis performed for the group and subsidiaries. A letter of support had been obtained from Caribou Bidco Limited who have confirmed that they will continue to support the Company and provide any further funds, if required, for a period of a least 12 months from the date of approval of these financial statements. The Directors have reviewed the ability and likelihood of Caribou Bidco Limited to provide the aforementioned financial support and have noted that the support is available if it is needed by the Company.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of approving these financial statements. The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

1.4 Functional currency

The Company's functional and presentational currency is the pound sterling, and the financial statements are presented as such.

Transactions in currencies other than the functional currency of the Company, are recorded at the rates of exchange prevailing on the date of the transaction.

At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies, are retranslated at the rate prevailing at the statement of financial position date. Gains and losses arising on retranslation of monetary items are included in net profit or loss for the year.

Non-monetary assets and liabilities carried at fair value and denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

1.5 IFRS 15 Revenue from contracts with customers

In recognising revenue under IFRS 15, the Company have followed the five-step model and considered identification of the contract with a customer, identification of performance obligation of each contract, transaction price, allocation of transaction price to performance obligation and recognition of revenue at the point the performance obligation has been satisfied.

1. Accounting policies (continued)

1.6 Revenue recognition

Revenue comprises the fair value of the consideration receivable by the Company for the sale of goods and services in the ordinary course of its business. Revenue is shown net of value added tax, returns and trade discounts. Revenue is recognised depending on the nature of the good or service supplied.

Training course revenue is recognised on a straight line basis over the period that the course runs.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

1.7 Cost of sales

Cost of sales includes exam and course fees, external tutor fees and other distribution costs associated with revenue generating activities.

1.8 Interest receivable, payable and similar income and expenses

Finance income is recognised using the effective interest method. When a loan or receivable is impaired, the Company reduces the carrying value to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues to unwind the discount as interest income.

Finance costs are accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

1. Accounting policies (continued)

1.10 Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately, are carried at cost less accumulated impairment losses.

Development expenditure 2 – 4 years straight line

(ii) Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if all of the following have been demonstrated:

- Technical feasibility of completing the intangible asset, so that it will be made available for use or sale;
- Intention to complete the intangible asset and use or sell it;
- Ability to use or sell the intangible asset;
- The ability of the asset to generate probable future economic benefit;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

(ii) Internally generated intangible assets (continued)

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria as listed above. Where no internally generated asset can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

1.11 Impairment of intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1. Accounting policies (continued)

1.11 Impairment of intangible assets (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less cost of disposal, and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is then recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been previously recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the reversal of the impairment loss is treated as a revaluation increase.

1.12 Trade and other receivables

Trade and other receivables includes amounts due from group companies and customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. Balances expected after one year are presented as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Appropriate provisions for impairment are recognised as per note 1.15. Subsequent recoveries of amounts previously written off, are credited to profit and loss.

1.13 IFRS 9 Expected credit loss

The Company has applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables are also considered. The Company have assessed that no material adjustment to provisions is required to reflect the lifetime expected loss.

1.14 Trade and other payables

Trade payables includes amounts owed to group companies and obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due in one year or less. For payments due over one year, balances are classified as non-current liabilities.

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

1. **Accounting policies (continued)**

1.15 Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.16 Financial instruments

Financial assets and liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or liability, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.17 Share capital

All ordinary shares are classified as equity and carry the same voting and dividend rights. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.18 Critical accounting estimates and judgements

The preparation of the Company's financial statements in accordance with FRS 101 requires decisions and estimates for some items, which might have an effect on their recognition and measurement in the statement of financial position and profit and loss. The actual amounts realised may differ from these estimates.

Capitalisation of development costs

Development costs are capitalised, in accordance with the Company's accounting policy. Determining the amounts to be capitalised requires management to make a judgement based on assumptions and estimates regarding the expected future cash generation of new developments and the expected period of benefits.

There were no other critical accounting estimates or judgements required in the preparation of these financial statements.

2. Revenue

The following is an analysis of the Company's revenue for the year from continuing operations:

	2021 £000	*2020* *£000*
Training course revenue	**7,405**	*9,603*
	7,405	*9,603*

The Company has trading activities generated worldwide, with revenue generated by customer location presented as follows:

	2021 £000	*2020* *£000*
United Kingdom	**6,467**	*9,174*
Europe	**179**	*129*
Rest of the world	**759**	*300*
	7,405	*9,603*

3. Operating (loss)/profit

The Company made an operating (loss)/profit of £29k *(2020: operating profit of £2,745k)* for the year ended 31 August 2021.

Included within the Company's operating (loss)/profit for the year are amortisation costs of £187k *(2020: £186k)*.

The Company received £Nil *(2020: £4k)* of Coronavirus Job Retention Scheme funding from the UK government in the year, a scheme the Government set up in the wake of the COVID-19 pandemic to help businesses secure jobs.

Audit services are borne by the Company's parent undertaking, Tes Global Limited. The amounts below were recharged to the Company.

	2021 £000	2020 £000
Auditor's remuneration		
Audit fees	**1**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Employees

Staff costs were as follows:

	2021 £000	*2020* *£000*
Wages and salaries	**958**	*1,014*
Social security costs	**87**	*90*
Other pension costs	**61**	*67*
	1,106	*1,171*

The average monthly number of persons employed by the Company in the year was 22 *(2020: 27)* all who worked in the sales and marketing department.

Directors' emoluments

The Directors are remunerated by Tes Acquisition Limited. Their emoluments are deemed to be wholly attributable to their services to these companies. Accordingly, the Directors received no emoluments (*2020: £nil*) for services provided to the Company. No amounts were recharged to the Company in respect of these services for the year ended 31 August 2021 (*2020: £nil*).

5. Interest receivable and similar income

	2021 £000	*2020* *£000*
Interest receivable from group companies	**569**	*522*
	569	*522*

6. Interest payable and similar expenses

	2021 £000	*2020 £000*
Interest payable to group companies	59	*100*
	59	*100*

7. Tax on profit

	2021 £000	*2020 £000*
Corporation tax		
Current tax on profits for the year	119	*604*
Total current tax	119	*604*
Deferred tax		
Origination of timing differences	1	*(2)*
Total deferred tax	1	*(2)*
Taxation on profit	120	*602*

Factors affecting tax charge for the year

The tax assessed for the year is the higher than *(2020 – same as)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 £000	*2020 £000*
Profit before tax	481	*3,167*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% *(2020: 19%)*	91	*602*
Effects of:		
Expenses not deductible for tax purposes	29	*-*
Total tax charge for the year	120	*602*

7. Tax on profit (continued)

Factors that may affect future tax charges

The Finance Act 2016 included provisions to reduce the main rate of corporation tax to 19% effective from 1 April 2017 and 17% with effect from 1 April 2020. The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% with effect from 1 April 2023 and cancelled the earlier suggested change to 17%. The Finance Act 2021 contains the provisions for the increase in rate to 25% and was substantively enacted on 24 May 2021. Accordingly deferred tax has been provided at either 19% or 25% depending on when the deferred tax liability/asset is expected to crystallise.

8. Deferred taxation

	2021 **£000**	*2020* *£000*
At beginning of year	**4**	*2*
Charged to profit or loss	**(1)**	*2*
At end of year	**3**	*4*

The deferred tax asset is made up as follows:

	2021 **£000**	*2020* *£000*
Accelerated capital allowances	**1**	*1*
Short term timing differences	**2**	*3*
	3	*4*

9. Intangible assets

	Development expenditure £000
Cost	
At 1 September 2020	**993**
Additions	184
At 31 August 2021	**1,177**
Accumulated amortisation	
At 1 September 2020	**378**
Charge for the year	249
At 31 August 2021	**627**
Net book value	
At 31 August 2021	**550**
At 31 August 2020	*615*

The Company continue to research new products to take to market. The total development expenses in the year have been capitalised in line with IAS 38.

10. Trade and other receivables

	2021 £000	*Restated 2020 £000*
Due after more than one year		
Amounts owed by undertakings (note 15)	**9,312**	*8,658*
	9,312	*8,658*

	2021 £000	*Restated 2020 £000*
Due within one year		
Trade receivables	**775**	*605*
Less: provision for impairment of trade receivables	**(38)**	*(38)*
Other debtors	**12**	*1,118*
Deferred tax (note 8)	**3**	*4*
Prepayment	**4**	*9*
	756	*1,698*

The deferred tax asset comprises short term timing differences.

10. Trade and other receivables (continued)

In determining the recoverability of a trade receivable, the Company considers the ageing of each receivable and any change in circumstances of the individual customer. The Directors believe that there is no further provision required in excess of the allowance for doubtful debts.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which use a lifetime loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the historical credit losses experienced. The current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables are also considered. The Company have assessed that there is no material adjustment to provisions required, to reflect the lifetime expected loss.

The maximum exposure to credit risk at the end of the year is the fair value of trade and other receivables. The Directors estimate that the carrying value of receivables is an approximation of their fair value.

Other debtors in 2020 comprised of amounts owed by the Department for Education, received post year end.

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at a rate of 5% per annum *(2020: 8%)*.

11. Trade and other payables

	2021 £000	*Restated 2020 £000*
Trade payables	**213**	*219*
Amounts owed to group undertakings	**601**	*2,847*
Other payables	**233**	*760*
Accruals (note 15)	**2,133**	*2,653*
Contract liabilities	**701**	*632*
	3,881	*7,111*

Accruals include £549k *(2020: £518k)* due to learners in respect of bursaries. The amount due from the Department for Education, was received post year end, to then be paid on to learners.

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest at a rate of 5% per annum *(2020: 8%)*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

12. Called up share capital

	2021 £	*2020 £*
Allotted, called up, authorised and fully paid		
100 *(2020 - 100)* Ordinary shares of £1.00 each	**100**	*100*

13. Controlling party

The immediate parent undertaking is Tes Global Limited, a company registered in England & Wales. The company and its immediate parent are both consolidated entities of Tes Topco Limited a company registered in England & Wales. As at the 31 August 2021, Tes Topco Limited is the ultimate parent company. Following the sale of Tes Topco Limited on 2 February 2022, Caribou Bidco Limited became the ultimate parent company.

Copies of the smallest and largest parent in the group, Tes Topco Limited consolidated financial statements, which include the Company, are available from the Company Secretary, Tes Topco Limited, 26 Red Lion Square, London, England, WC1R 4HQ.

The directors consider that the ultimate controlling party of the Company is Providence Equity Partners LLC, headquartered in the US, on behalf of the funds under its management, as at the year end. As per note 14, following a change of ownership on 2 February 2022, the ultimate controlling party then became Onex Partners V and parent company, Caribou Topco Jersey Ltd.

14. Events after the reporting date

The Company has considered the impact of post reporting date events up to and including the date of signing.

On 5 December 2021, Caribou Bidco Limited, a Company owned and controlled by Onex Partners agreed to purchase the entire share capital of TTCL and its subsidiaries from Tes Holdings Sarl, a company owned and controlled by Providence Equity Partners LLP. Following this initial exchange of contracts, the purchase was subsequently completed on 2 February 2022.

On completion of the sale to Onex, the Group's liabilities to the bank and its previous shareholders of £177,000k and £30,000k respectively, we settled in full. A new bank loan facility of £340,000k was drawn by Caribou Bidco Limited at completion.

15. Restatement of 2020

The Company has restated its balance sheet for 2020 as per the below:

Statement of financial position

		2020 £000	Adjustment £000	Restated 2020 £000
Non-current assets				
Intangible assets		615	-	615
Trade and other receivables	A	-	8,658	8,658
		615	**8,658**	**9,273**
Current assets				
Trade and other receivables	A	10,356	(8,658)	1,698
Cash and cash equivalents		4,083	-	4,083
		14,439	**(8,685)**	**5,781**
Current liabilities				
Trade and other payables	B	7,597	(486)	7,111
		7,597	**(486)**	**7,111**

A There was an error in the presentation of intercompany assets owed to the Company by a fellow Group subsidiary of £8,658k. Previously, this was presented as a current asset however, the directors note that as it was not expected to be realised within 12 months of following 31 August 2020 and is still not expected to be realised in the 12 months following 31 August 2021. As such, the debtor is deemed to be a non-current asset as defined by IAS 1.

B There was an error in the amount due in respect of bursaries owed by the Company amounting to £600k. The error was due to incorrectly recognising amounts within the bursary creditor that did not relate to any amounts owed to third parties. This has been corrected by reducing the bursary creditor to the amount owed by the Company to its payables and adjusting opening retained earnings to correctly restate the financial statements for the error. The total error of £486k includes the related tax charge of £114k on the gross £600k reversal.