



Annual report and financial statements Camelot Midco Limited

For the year ended 31 August 2022

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Company no. 08780064

Company information

Company registration number	08780064
Registered office	51-53 Hills Road Cambridge CB2 1NT
Directors	D Johnston B Webb
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Contents

Strategic report	3 - 6
Directors' report	7 - 8
Independent auditor's report	9 - 11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Notes to the financial statements	15 - 23

Strategic report

The directors present their strategic report on the company for the year ended 31 August 2022.

Principal activities

The principal activity of the group during the year was that of an intermediate holding company which holds Cambridge Education Group Limited and its subsidiaries (CEG). CEG is a UK-based global provider in the higher education sector that specialises in the provision of high quality academic services out of its 13 ONCAMPUS centres across the UK, North America and Europe and 10 Digital university partnerships.

Business review

The profit before taxation for the year was £8,072,000 (2021: £7,271,000). Net assets at the year end were £110,584,000 (2021: £104,123,000). In the opinion of the directors the state of the company's affairs at 31 August 2022 was satisfactory.

As an intermediate holding company, the company is dependent on the results of CEG. During the year, for continuing operations of CEG:

- student volume grew rapidly with c. 7,000 new students recruited across all brands;
- turnover increased by 40% to £72.7m, a record high for continuing operations since the divestment of CATS Colleges;
- gross margin grew to 63.3% (2021: 56.3%), as the group capitalised on its rapid growth by realising scale economies in its ONCAMPUS and Digital operating models;
- underlying EBITDA grew by 179% from £3.2m to £9.1m;
- CEG Digital successfully launched partnerships with University of Central Lancashire and London South Bank University, and signed new partnerships with University of Plymouth and Arts University Bournemouth that will launch in the following financial year. ONCAMPUS launched major new partnerships with Aston University and the University of Southampton, and signed a new long-term partnership with Kedge Business School ("ONCAMPUS Paris") to launch in the following financial year.

Future developments

In future the company will continue to perform its present function within the group.

Financial key performance indicators

The board and management use key performance indicators (KPIs) to monitor the success of the business. The KPIs used for the trading group headed by CEG are not relevant to the activities of the company and therefore the KPI used is that the company provides financing for the group at an acceptable cost compared to that planned.

Directors' duties under section 172 of the Companies Act 2006

When performing their duties under section 172 of the Companies Act 2006 the directors must have regard to the following considerations:

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

We have detailed below how the directors have done so during the year.

The year to 31 August 2022 was another year of change for Cambridge Education Group. This was characterised by rapid growth in student volumes and operational scale across both existing and new university partnerships, including entry into new geographical markets (e.g. ONCAMPUS Paris) and development of new products (e.g. online undergraduate programmes in Digital). As restrictions on international travel introduced during the Covid-19 pandemic were relaxed and student mobility increased, the group was able to capitalise on its strong financial foundation, robust and diversified portfolio, and high partner satisfaction to accelerate business development in line with the group's objective of developing its online and pathway offerings (including establishment of several new long-term partnerships in both the ONCAMPUS and Digital divisions). These changes were driven by strategic decisions made to ensure we manage our business with a focus on creating long term sustainable value for our shareholders.

Set out in the below table is management's assessment of our key stakeholder groups, detailing how the board has considered the issues and factors that impact them and how engagement has impacted board decisions and company strategies during the financial year.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
Shareholders	The board is accountable to its shareholders and must act in a way that is likely to promote the success of the group for the benefit of its members as a whole. The group seeks to maintain effective dialogue with its shareholders, to ensure that their views and any concerns they may have are understood and considered.	Regular monthly board meetings, complemented by separate consideration of relevant issues at meetings of the remuneration committee and audit committee.	Signing of new long-term partnerships with Kedge business school ('ONCAMPUS Paris'), Digital London South Bank University, Digital University of Plymouth, Digital Arts University Bournemouth. Acquisition of Unihaven Network International Limited (see 'post-balance-sheet events' disclosures).
Customers (e.g. university partners)	Delivering a service that meets the needs of our customers in all of the markets in which we operate is fundamental to our success. We help universities to succeed in their online education strategy, and to access business-critical international student recruitment.	University 'partner insights' feedback survey with focus on Net Promoter Score metric, regular university board / steering group meetings.	Broadening of existing partnerships with London South Bank University and Royal College of Surgeons in Ireland to include online services, providing an end-to-end enterprise solution.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
Students	Students are at the heart of what the group is trying to achieve, and as such we rely heavily on their feedback and evaluation of their learning experiences. Both ONCAMPUS and Digital (including iheed) actively engage students, individually and collectively, in the quality of their educational experience.	Induction surveys, end of programme surveys, representation at centre audits and on relevant committees (e.g. staff-student consultative committees).	Continuation of staggered start dates and flexible modes of delivery (e.g. face-to-face, online-only, blended) in response to existing and prospective student requirements during coronavirus disruption. #ByYourSide initiative including pre-arrival and travel support, and facilitation of access to health and vaccination services.
Suppliers (e.g. our agent network)	Strong working relationships with our suppliers is crucial to the effectiveness of our entire operation, enhancing our efficiency and creating value.	Agent surveys, 'familiarisation trips' to allow agents to experience our product first-hand. Development of the agent portal to allow agents to track their application in our Admissions CRM and make conditional offers	Investment in development of the ONCAMPUS Agent Portal, which significantly improves service levels and efficiency for both agents and CEG.
Employees	Our people, including permanent and temporary workers, engaged as both employees and contractors, are what makes our business what it is. We rely on them to deliver our vision, uphold our values and culture, and to achieve against our strategic priorities, creating long term sustainable value for our shareholders and stakeholders.	Our 'Let's Listen' programme (facilitated by an external provider) is the catalyst for 2-way dialogue and creates forums for improving CEG as a place to work and to achieve. Individual's personal objectives are derived as part of a cascade, aiding alignment with the group's strategic priorities at all levels. A multi-channel communications strategy keeps people informed and supports line managers to deliver.	Permanent adoption of group agile working policy, allowing most workers to work from home for up to 50% of their scheduled workdays. Launch of enhanced employee benefits package, including the Global Employee Assistance Programme and a comprehensive review of leave policies covering sickness, parental and other forms of leave (including a "holiday purchase scheme" for additional annual leave). Executive Team roadshows to share information and celebrate successes. Internal learning and development content creation.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
Debt providers and banking partners	By providing funds for the group's working capital and general corporate purposes, our debt providers play an important role in our business.	Provision of annual budgets and monthly actual financial information to banking providers, annual senior management team presentation to lenders.	Extension of (undrawn) RCF to provide continued liquidity. Robust new centre and investment case appraisal process, focusing on capital allocation and cash flows – decision not to participate in several tenders with unsuitable risk profiles.

Principal risks and uncertainties

The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and, as they relate particularly to the company, they are summarised below:

- interest rate risk: the company is not exposed to interest rate fluctuations as it borrows from its external loan note holders and parent undertaking at a fixed rate and lends to its subsidiary undertaking at a fixed rate.
- liquidity risk: the company maintains cash balances sufficient for the present servicing of its obligations.

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



D Johnston
 Director
 23rd December 2022

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 August 2022.

A review of the business, including financial key performance indicators and principal risks and uncertainties, together with a summary of future developments is included in the strategic report under s414 of the Companies Act 2006 and are therefore not shown in the directors' report. Directors' duties under section 172 of the Companies Act 2006 are also described in the strategic report and are not included in this directors' report.

Results and dividends

The profit for the financial year amounted to £6,461,000 (2021: £5,822,000). No dividend has been paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

Future developments and principal risks and uncertainties are discussed in the strategic report on pages 3 to 6.

Directors

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

D Johnston
B Webb

Risk management

The principal risks and uncertainties and arrangements for their management are described in the strategic report on pages 3 to 6.

Streamlined energy and carbon reporting

The company is a low energy user and is therefore not obliged to include energy and carbon information in this directors' report.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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.

Disclosure of information to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Independent auditor

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

On behalf of the board



D Johnston
Director

23rd December 2022

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF CAMELOT MIDCO LIMITED

Opinion on the financial statements

In our opinion the financial statements:

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

We have audited the financial statements of Camelot Midco Limited ("the Company") for the year ended 31 August 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

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

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.

Other Companies Act 2006 reporting

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 material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, 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.

Extent to which the audit was 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:

Based on our understanding of the company and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the Company's continued operation. We also considered those laws and regulations that have a direct impact on the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks we related to posting inappropriate journal entries to manipulate financial results and management bias in making accounting estimates.

The audit procedures to address the risks identified included:

- challenging assumptions made by management in their accounting estimates and judgements
- identifying and testing journal entries selected based on specific risk criteria
- reading minutes of meetings of the board and review of responses received from our circularising external legal counsel.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:
Kieran Storan
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Kieran Storan (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 23 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income

For the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Interest receivable and similar income	7	12,592	11,344
Interest payable and similar expenses	7	(4,520)	(4,073)
Net interest income		<u>8,072</u>	<u>7,271</u>
Profit before tax		8,072	7,271
Tax on profit	8	(1,611)	(1,449)
Profit for the financial year and total comprehensive income		<u>6,461</u>	<u>5,822</u>

All of the activities of the company are classed as continuing.

The accompanying notes form part of these financial statements.

Statement of financial position

As at 31 August 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investments	9	<u>39,499</u>	<u>39,499</u>
Current assets			
Debtors due less than one year	10	1,616	1,652
Debtors due after more than one year	10	127,068	114,476
Cash at bank and in hand		<u>5</u>	<u>10</u>
		128,689	116,138
Creditors: amounts falling due within one year	11	<u>(11,988)</u>	<u>(10,418)</u>
Net current assets		<u>116,701</u>	<u>105,720</u>
Total assets less current liabilities		156,200	145,219
Creditors: amounts falling due after more than one year	12	(45,616)	(41,096)
Net assets		<u>110,584</u>	<u>104,123</u>
Capital and reserves			
Called-up share capital	14	45,999	45,999
Retained earnings		64,585	58,124
Total equity		<u>110,584</u>	<u>104,123</u>

The financial statements on pages 12 to 23 were approved by the directors and authorised for issue on 22nd December 2022, and are signed on their behalf by:



D Johnston.
 Director

Company registration number: 08780064

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 31 August 2022

	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 September 2020	45,999	52,302	98,301
Profit for the financial year and total comprehensive income	-	5,822	5,822
At 31 August 2021	45,999	58,124	104,123
Profit for the financial year and total comprehensive income	-	6,461	6,461
At 31 August 2022	45,999	64,585	110,584

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 General information

Camelot Midco Limited ('the company') is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 1. The company is an intermediate holding company within a group of companies and the nature of that group's operations and principal activities are set out in the strategic report.

2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and prior year in these financial statements.

a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention.

Values are presented in pounds sterling, rounded to thousands except where the nature of the disclosure or the value disclosed is such that disclosure in pounds is more appropriate.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the group's accounting policies. Details of the significant judgments and estimates are disclosed in note 4.

b) Going concern

The group containing the company meets its day-to-day working capital requirements through its banking facilities and cash held. The company itself does not have access to borrowing facilities but does maintain cash balances which are sufficient to meet its present requirements for working capital. The directors have prepared both detailed budgets and long term forecasts for the group, taking account of possible changes in trading performance. At 31 August 2022, the excess of current liabilities over debtors due within one year was £10,372,000 (2021: £8,766,000). Group undertakings have confirmed that, despite amounts being owed within one year, there is no intention of requiring payment within 12 months. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and to meet long term liabilities as they fall due. The company therefore continues to adopt the going concern basis in preparing its financial statements.

3 Summary of significant accounting policies (continued)

c) Consolidated financial statements

The company is a wholly-owned subsidiary of Camelot Topco Limited. It is included in the consolidated financial statements prepared by that company which are publicly available. Therefore, by virtue of section 400 of the Companies Act 2006, the company is exempt from the requirement to prepare consolidated financial statements. These financial statements are therefore for the company only.

d) Interest

Interest income is recognised in the period in which it is earned using the effective interest rate method.

e) Borrowing costs

Borrowing costs are charged to profit or loss over the term of the debt using the effective interest rate method.

f) Current tax

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 country where the company operates and generates taxable income.

g) Investments

Investments in subsidiaries are valued at cost less accumulated impairment.

h) Financial instruments

Basic financial assets, including trade and other debtors, amounts owed by group undertakings, and bank balances, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Basic financial liabilities including trade and other creditors, amounts owed to group undertakings, bank loans, loans from fellow group companies, and investor loan notes are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at the present value of the future payments discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from the proceeds.

j) Reserves

The company's reserve represents retained earnings which comprise cumulative profits and losses.

4 Critical accounting estimates and judgments

In preparing these financial statements the directors have identified the following key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of investments

The company considers whether its investments are impaired. These estimates are based on a variety of factors such as the expected use of an acquired business, the expected useful life of cash generating units and any legal, regulatory or contractual provisions that can limit useful life. Where an indication of impairment is identified, the estimation of the recoverable value requires estimation of the recoverable value of the CGUs. This requires estimation of the sector valuation and/or future cash flow from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. The net carrying values of investments are given in note 9.

5 Disclosure exemptions

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- from presenting a statement of cash flows and net debt reconciliation;
- from the financial instrument disclosures as the information is provided in the consolidated financial statement disclosures of the group in which the company is consolidated; and
- from the key management personnel compensation disclosures as their remuneration is included in the consolidated financial statements of the group in which the company is consolidated.

6 Operating result

The company had no employees during the year (2021: nil).

Directors' remuneration is borne by other group companies and it is deemed not possible to allocate a charge from other group companies.

Audit fees payable to the company's auditor of £10,000 (2021: £10,000) have been borne by another group company without recharge in the year.

7 Net interest income

	2022 £'000	2021 £'000
Interest receivable and similar income:		
On intra group loans and loan notes	<u>12,592</u>	<u>11,344</u>
Interest payable and similar expenses:		
On investor loan notes	(2,100)	(1,892)
On intra group loan notes	<u>(2,420)</u>	<u>(2,181)</u>
Total interest payable and similar expenses	<u>(4,520)</u>	<u>(4,073)</u>
Net interest income	<u><u>8,072</u></u>	<u><u>7,271</u></u>

8 Tax on profit

(a) Analysis of charge in the year

The tax charge represents

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax for the year	1,534	1,381
Adjustment in respect of prior periods	<u>77</u>	<u>68</u>
Tax on profit	<u><u>1,611</u></u>	<u><u>1,449</u></u>

(b) Reconciliation of tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before tax	<u>8,072</u>	<u>7,271</u>
Profit before tax multiplied by rate of tax	1,534	1,381
Adjustment in respect of prior period	<u>77</u>	<u>68</u>
Tax charge for the year	<u><u>1,611</u></u>	<u><u>1,449</u></u>

9 Investments

Cost and net book value	£'000
At 31 August 2021 and 31 August 2022	<u><u>39,499</u></u>

Investments are the directly held subsidiary undertakings detailed in note 15.

10 Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,616	1,652
Amounts falling due after more than one year:		
Amounts owed by group undertakings – loan notes	46,956	42,303
Amounts owed by group undertakings – loans	<u>80,112</u>	<u>72,173</u>
Total amounts falling due after more than one year	<u>127,068</u>	<u>114,476</u>
	<u><u>128,684</u></u>	<u><u>116,128</u></u>

The intra group loans and loan notes are unsecured, bear interest at 11% compounded annually on 31 August, and the principal plus interest are repayable on 31 August 2027. Other amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed to group undertakings	<u>11,988</u>	<u>10,418</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Amounts falling due between one and five years:		
Amounts owed to group undertakings – loan notes	24,423	-
Investor loan notes including accrued interest	21,193	-
Amounts falling due after more than five years:		
Amounts owed to group undertakings – loan notes	-	22,003
Investor loan notes including accrued interest	-	19,093
	<u>45,616</u>	<u>41,096</u>

The investor loan notes and intra group loan notes are unsecured, bear interest at 11% compounded annually on 31 August, and the principal plus interest is repayable on 31 August 2027. The cumulative accrued interest on these loan notes was £22,248,000 (2021: £17,728,000).

13 Related party transactions

As a wholly-owned subsidiary of Camelot Topco Limited, the company is exempt from the requirement to disclose transactions with other members of the group.

During the year the company entered into transactions with other related parties as follows:

A principal balance of £11,523,000 (2021: £11,523,000) of loan notes was held at the year end by BEP IV (Nominees) Limited, a subsidiary company of Bridgepoint Group Limited which is the ultimate parent company of Bridgepoint Advisers Limited. Bridgepoint Advisers Limited manages the fund which is the ultimate controlling party of the company as disclosed in note 16. The interest expense for the year on these notes was £1,788,000 (2021: £1,611,000) and the cumulative balance comprising principal and accrued interest was £18,045,000 (2021: £16,257,000).

14 Called-up share capital

Allotted, called-up and fully paid:

	2022		2021	
	No	£'000	No	£'000
Ordinary shares of £1 each	<u>45,999,330</u>	<u>45,999</u>	<u>45,999,330</u>	<u>45,999</u>

The ordinary shares are not redeemable, have voting rights of one vote per share and are all equally entitled to dividends and any distribution of capital. All shares are classified as equity.

15 List of subsidiary undertakings

Subsidiary undertakings	Registered office	Nature of business	Interest
<u>Direct shareholdings</u>			
Camelot Interco Limited	i.	Intermediate holding company	100% ordinary shares
<u>Indirect shareholdings</u>			
Arts Online Bournemouth Limited	i.	Online & blended university courses	100% ordinary shares
Cambridge Education Group Consulting (Shanghai) Limited	ii.	Provision of administrative services for group companies	100% ordinary shares
Cambridge Education Group Hong Kong Limited	iii.	Provision of administrative services for group companies	100% ordinary shares
Cambridge Education Group Limited	i.	Intermediate holding company	100% ordinary shares
Cambridge Online Learning Limited	i	Dormant	100% ordinary shares
Camelot Bidco Limited	i.	Intermediate holding company	100% ordinary shares
Camelot Holdco Limited	i.	Intermediate holding company	100% ordinary shares
Castel International (Education) Limited	iv.	On-site university foundation courses	100% ordinary shares
CEG Administrative Services Limited	i.	Provision of administrative services to group companies	100% ordinary shares
CEG Digital Limited	i.	Online and blended learning courses	100% ordinary shares
CEG Global Online SB Limited	i.	Online & blended university courses	100% ordinary shares
CEG International Limited	i.	Dormant	100% ordinary shares
CEG ONCAMPUS Holdings Limited	i.	Intermediate holding company	100% ordinary shares
CEG Online Limited	i.	Online and blended learning courses	100% ordinary shares
CEG Pathways, Inc	v.	On-site university foundation courses	100% ordinary shares
CEG UFP Limited	i.	On-site university foundation courses	100% ordinary shares
CEG UNW Online Limited	i.	Online and blended learning courses	100% ordinary shares
Falmouth Flexible Ltd	i.	Online and blended learning courses	100% ordinary shares
Hull Online Limited	i.	Online and blended learning courses	100% ordinary shares
Iheed Health Training Limited	iv.	Online and blended learning courses	75.4% ordinary shares (2021: 74.4%)

15 List of subsidiary undertakings (continued)

Subsidiary undertakings	Registered office	Nature of business	Interest
ONCAMPUS Amsterdam B.V.	vi.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Aston Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Coventry Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Education Dublin Limited	vii.	Dormant	100% ordinary shares
ONCAMPUS Hull Ltd	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS London Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS LSBU Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Lund Sweden AB	viii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Paris SASU	ix.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Reading Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Southampton Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Sunderland Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS UK North Limited	i.	On-site university foundation courses	100% ordinary shares
Plymouth Online Limited	i.	Online & blended university courses	100% ordinary shares
Portsmouth Online Limited	i.	Online and blended learning courses	100% ordinary shares
Queen Mary Digital Limited	i.	Online and blended learning courses	100% ordinary shares
Southampton Global Limited	i.	Online and blended learning courses	100% ordinary shares

- i 51-53 Hills Road, Cambridge, CB2 1NT
- ii Room 408, Building 2, No. 215 Yaohua Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, People's Republic of China
- iii Suites 3005-6, 30/F Tower 2, The Gateway, Harbour City, Kowloon, Hong Kong
- iv 2nd Floor Block 4, Bracken Business Park, 93-95 Bracken Road, Sandyford, Dublin, Ireland
- v 251 Little Falls Drive, Wilmington, DE 19808, United States of America
- vi Van Heuven Goedhartlaan 935A, 1181 LD Amstelveen, Netherlands
- vii Main Street, Dunboyne, Meath, Ireland
- viii Östra Vallgatan 14, 223 61 Lund, Sweden
- ix 9 rue de Anatole, 75017 Paris, France

16 Ultimate controlling party

The immediate and ultimate parent company is Camelot Topco Limited.

Camelot Topco Limited is the parent undertaking of the smallest and largest group which prepares publicly available consolidated financial statements that incorporate the results of the company and its subsidiaries. Copies of the consolidated financial statements may be obtained from the address given on page 1.

The ultimate controlling party is Bridgepoint Europe IV Fund, managed by Bridgepoint Advisers Limited, which owns the majority of the shares in the ultimate parent company on behalf of various funds.