
QAHE (SERVICES) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

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QAHE (SERVICES) LIMITED

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QAHE (SERVICES) LIMITED

COMPANY INFORMATION

Directors	Nathan Runnicles Julie Noone (resigned 1 December 2021) Paul Geddes Simon Nelson (appointed 1 December 2021)
Registered number	09134452
Registered office	International House 1 St Katherine's Way London EW1 1UN

QAHE (SERVICES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022

The Directors present their annual report on the affairs of QAHE (Services) Limited (the 'Company') and the financial statements for the year ended 31 May 2022.

Principal activity

The Company provides non-degree awarding educational services to domestic and international students as well as outsourced recruitment and educational services to UK based universities.

Dividends

The Directors do not recommend the payment of a dividend (2021: £1.5m).

Results

Turnover was £0.5m (2021: £4.9m) for the year ended 31 May 2022. The loss after taxation for the year was £0.1m (2021: profit of £2.2m). The Company had net assets of £2.2m as at 31 May 2022 (2021: £2.3m).

Directors

The Directors who served during the year and subsequently were:

Nathan Runnicles

Julie Noone (resigned 1 December 2021)

Paul Geddes

Simon Nelson (appointed 1 December 2021).

Financial key performance indicators

The Company is managed as part of the overall IndigoCyan Holdco 3 Limited Group. For this reason, the Directors believe that specific KPIs for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the IndigoCyan Holdco 3 Limited Group including this company is discussed in the Annual Report of IndigoCyan Holdco 3 Limited. This report can be viewed at www.qa.com. See note 10 for details of the ultimate controlling party and relationship between parent and entity.

Future developments

The Company expects to continue providing educational support services to the IndigoCyan Holdco 3 Limited Group's university partnerships and support the growth objectives of those relationships.

The Directors do not envisage change to the Company's principal activity. The financial statements have been prepared on a going concern basis and consideration of going concern issues are set out in the Directors' Report.

Principal risks and uncertainties

The Company expects to continue its recruitment activities to support its partner universities.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including liquidity risk and credit risk. The Company does not use derivative financial instruments for speculative purposes.

QAHE (SERVICES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company co-operates with a centralised treasury function, features of which include intercompany cash transfers and management of operating lease contracts.

Credit risk

The Company's principal financial assets are bank balances and intercompany receivables.

The Company's credit risk is primarily attributable to its intercompany receivables. The amounts presented in the balance sheet are net of provision for doubtful debts. A provision is made where there is objective evidence of non-recovery of the debt.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2. The Company, QAHE (Services) Limited, is part of the QAHE Limited Group "the Group" which is in turn part of the IndigoCyan Topco Limited Group which in turn owns the IndigoCyan Holdco 3 Limited Group. The Directors have considered the adoption of the going concern basis of preparation of these financial statements with consideration to the wider IndigoCyan Holdco 3 Limited group position and its business model.

The IndigoCyan Holdco 3 Limited Group's positive trading progress and balance sheet strength in the year ended 31 May 2022 has allowed the IndigoCyan Holdco 3 Limited Group to repay the revolving credit facility in full and fund the £25m acquisition of Circus Street, a separate group company, from cash reserves. At year end the wider IndigoCyan Holdco 3 Limited Group had cash of £53.2m and access to an undrawn £65m revolving credit facility.

The forecasting process undertaken by the Directors recognises the inherent uncertainty of the current economic environment where inflationary and recessionary risks are heightened by the continuing war in Ukraine.

The Directors believe, given IndigoCyan Holdco 3 Limited Group performance across the recent pandemic, that trading results will remain robust and that there are growth opportunities for the business to pursue. However, the Directors have assessed various revenue and cashflow scenarios that factor in the impact of an economic recession on the demand for the IndigoCyan Holdco 3 Limited Group's services. The analysis confirmed the IndigoCyan Holdco 3 Limited Group has sufficient liquidity and is forecast to comply with its financial covenants (which would only be tested if the revolving credit facility is drawn in excess of £25.0m).

The IndigoCyan Holdco 3 Limited Group has funding arrangements with its banks, which include drawn term loans and an undrawn £65.0m revolving credit facility, in place until June 2024 and June 2023 respectively. On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing and approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the IndigoCyan Holdco 3 Limited Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The Company has received a letter of support from IndigoCyan Holdco 3 Limited confirming committed funding for 12 months following the date of signing the financial statements. The Directors have reviewed the ability of IndigoCyan Holdco 3 Limited to provide the aforementioned support and no issues have been noted to that effect.

QAHE (SERVICES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors and officers and these remain in force at the date of this report.

Statement by the director in performance of statutory duties in accordance with s172

In the statement below we: take into account the likely consequences of long-term decisions; build relationships with stakeholders; understand the importance of engaging with our employees; understand the impact of our operations on the communities and the environment we depend upon; and attribute importance to behaving as a responsible business. The Board appreciates the importance of effective stakeholder engagement and that stakeholders' views should be considered in its decision-making.

The Board of Directors of QAHE (Services) Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and having regard (amongst other matters) to factors (a) to (f) of S172 Companies Act 2006, in the decisions taken during the year ended 31 May 2022.

Our governance is designed to ensure that we take into account the views of all our stakeholders, so that our decision-making is collaborative and well-informed – both before and after we make our decisions public.

We engage with our stakeholders as follows:

Students and University Partners - our ambition is to deliver best-in-class service to our students and university partners. We build strong lasting relationships with our university partners and students and spend considerable time with them to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making, for example to tailor our proposition to suit their demands.

People - our people are key to our success, and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including colleague surveys, forums, listening groups, face-to-face briefings, internal communities, newsletters and through our anonymous colleague concern line. Key areas of focus include health and well-being, development opportunities, pay and benefits. Regular reports about what is important to our people are made to the Board ensuring consideration is given to our people's needs.

Shareholders - the Board aims to understand the views of its shareholders and always to act in their best interests. The Board engages with both CVC as ultimate majority shareholder and management shareholders throughout the year providing updates on trading performance. As part of these meetings shareholders are able to ask questions of the Directors.

We believe these actions are in line with our culture and the high standards of business conduct and good governance we set ourselves. A Director of the Group must act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision 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 the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- *the need to act fairly as between members of the Group.*

The Group's Streamlined Energy and Carbon Reporting is covered in the Annual Report of IndigoCyan HoldCo 3 Limited which is available at www.qa.com.

QAHE (SERVICES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2022

Directors' Responsibilities statement

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

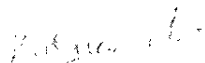
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under company law, 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 Company 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, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

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



Nathan Runnicles
Director
22 February 2023

QAHE (SERVICES) LIMITED
INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2022

		2022	2021
	Note	£m	£m
Turnover	2	0.5	4.9
Cost of sales		(0.5)	(2.1)
Gross profit		-	2.8
Administration expenses		(0.1)	(0.1)
(Loss)/profit before tax		(0.1)	2.7
Taxation	5	-	(0.5)
(Loss)/profit for the financial year		(0.1)	2.2

There was no other comprehensive income for the year.

All results derive from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

QAHE (SERVICES) LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022**

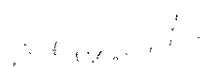
		2022	2021
	Note	£m	£m
ASSETS			
Current assets			
Trade and other receivables	6	2.2	2.0
Cash and cash equivalents		8.7	10.6
Total assets		10.9	12.6
LIABILITIES			
Current liabilities			
Trade and other payables	7	(8.7)	(10.3)
Net assets		2.2	2.3
EQUITY			
Share capital	8	-	-
Profit and loss account	9	2.2	2.3
Shareholder's funds		2.2	2.3

The notes on pages 9 to 14 form part of these financial statements.

For the year ended 31 May 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its financial statements for the period in question under section 476. The Directors acknowledge their responsibilities for complying with requirements of the Act in respect of accounting records and the preparation of accounts.

The financial statements of QAHE (Services) Limited, registered number 09134452 were approved by the Board of Directors and authorised for issue.

Signed on behalf of the Board of Directors by:



Director,
22 February 2023

QAHE (SERVICES) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

2021

	Share Capital £m	Profit and loss account £m	Total Equity £m
At 1 June 2020	-	1.6	1.6
Profit for the year	-	2.2	2.2
Total comprehensive income for the year	-	2.2	2.2
Dividends	-	(1.5)	(1.5)
At 31 May 2021	-	2.3	2.3

2022

	Share Capital £m	Profit and loss account £m	Total Equity £m
At 1 June 2021	-	2.3	2.3
Loss for the year	-	(0.1)	(0.1)
Total comprehensive loss for the year	-	(0.1)	(0.1)
At 31 May 2022	-	2.2	2.2

The notes on pages 9 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

General information and basis of accounting

QAHE (Services) Limited (the 'Company') is a private limited company domiciled in England and Wales and incorporated in the United Kingdom under the Companies Act 2006.

The address of the Company's registered office is International House, 1 St Katherine's Way, London, EW1 1UN

The financial statements are prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The functional and presentational currency of the Company is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The report is presented in £ms, although precise share capital information is given in the note.

Summary of disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council and has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 62, B64 (d), B64 (e), B64 (g), B64 (h), B64 (j) to B64 (m), B64 (n) ii, B64 (o) ii, B64 (p), B64 (q) (ii), B66 and B67 of IFRS 3 Business Combinations; and
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the paragraphs of 91-99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 38 of IAS 1 Presentation of Financial Statements' to present comparative information in respect of:
 - i) paragraph 73 e) of IAS 16, Property, Plant and Equipment;
 - ii) paragraph 118 e) of IAS 38 Intangible Assets;
- the requirements of paragraphs of 10 (d), 10 (f), 16, 38A, 38B, 38C, 40A, 40C, 40D, 111, and 134-136 of IAS Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18 A of IAS 24 Related Party Disclosures; and.
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or members of a group, provided that any subsidiary which is a party to the transaction, is wholly owned by such a member.

The accounting policies set out in this report, have, unless otherwise stated, been applied consistently in these financial statements. In application of these accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are explained in the accounting policies below and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out on page 2. The Company is part of the IndigoCyan Topco Limited Group which in turn owns the IndigoCyan Holdco 3 Limited Group and the Directors have considered the adoption of the going concern basis of preparation of these financial statements with consideration to the wider IndigoCyan Holdco 3 Limited group position and its business model.

Turnover

All turnover relates to provision of higher education services. All turnover arises within the United Kingdom.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in bank accounts, recognised within current assets. Balances held with money market funds are presented as cash where the maturity is less than three months.

Basic financial instruments

Debtors/creditors

Debtors are recognised initially at transaction price, less attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. If the arrangement constitutes a financing transaction, for example if a payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at the market rate of instrument for a similar debt instrument.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit and 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 after the initial recognition of the asset, and 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 financial asset measured at amortised cost is calculated as the difference between the carrying amount and the present value of future cash flows discounted at the asset's original effective rate.

For the financial instrument measured at cost less impairment, an impairment is calculated as the difference between the 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.

Impairment losses are recognised in profit and loss. When a subsequent event causes the amount of impairment loss to be decreased, the decrease in impairment loss is reversed through profit and loss.

Taxation

Tax on profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account 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 tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of prior periods.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

Taxation (continued)

Deferred tax is provided on timing differences which arise on the inclusion of income tax and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following tax adjustments 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.

Deferred tax is not recognised on permanent differences arising because of certain types of income and expenditure 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 at the tax rate that is expected to apply to the reversal of the related difference, using tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Share capital

Ordinary shares are classified as equity. Equity interests are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividends

The Company makes a distribution (including cash dividends) only out of 'profits available for distribution' by reference to the 'relevant accounts' drawn up in accordance with applicable UK law and accounting standards, and if Directors consider that the company can meet its liabilities as they fall due. Profits available for distribution are a company's accumulated realised profits less its accumulated realised losses.

The Company accounts for dividends in the year that they are paid to shareholders.

Critical accounting judgements

In the application of the Company's accounting policies described above the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are explained in the individual accounting policies above and are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The key sources of estimation uncertainty are set out below.

Key sources of estimation uncertainty

Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which is based on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. The uncertainty relates to the forecast cash flows.

QAHE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Turnover

All turnover relates to the provision of student recruitment services.

All turnover is derived from activity within the United Kingdom.

3. Directors' remuneration

The Directors did not receive any remuneration for their services to the Company during the year, (2021: £nil). It is not practicable to allocate their remuneration from other Group companies.

4. Staff costs and numbers

The Company had no employees other than Directors during the year (2021: none). Although there are recharges from other wider group and related party companies in respect of staff costs, the employment contracts with staff are not held by QAHE (Services) Limited.

5. Taxation

The tax on the result for the year is the same as the standard rate of corporation tax for the period of 19%, (2021:19%).

	2022 £m	2021 £m
(Loss)/profit before tax for the year	(0.1)	2.7
Tax charge at standard rate of 19%	-	0.5

QAHE (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Debtors: amounts falling due within one year

	2022	2021
	£m	£m
Trade receivables	-	0.1
Other debtors	2.2	-
Prepayments and accrued income	-	1.9
	2.2	2.0

7. Creditors: amounts falling due within one year

	2022	2021
	£m	£m
Amounts due to Group and related party undertakings	5.5	5.4
Accruals	2.4	2.7
Other creditors	0.8	1.6
Corporation tax creditor	-	0.6
	8.7	10.3

8. Share Capital

	2022	2021
	£	£
Authorised and allotted Ordinary shares of £1 each	100	100

9. Reserves

Profit and loss account

The profit and loss account represents accumulated profits and losses since incorporation, less any dividends.

10. Ultimate Controlling Party

The Company is a wholly owned subsidiary of QAHE Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is IndigoCyan Holdings Jersey Limited.

The most senior parent entity producing publicly available financial statements is IndigoCyan Holdco 3 Limited. These financial statements are available on the Group's website: www.qa.com.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is IndigoCyan Holdco 3 Limited, incorporated in Jersey.

The address of is IndigoCyan Holdco 3 Limited is: 27 Esplanade, St Helier, Jersey, JE1 1SG.

The parent of the smallest group in which these financial statements are consolidated is QAHE Limited, incorporated in the United Kingdom.

The address of QAHE Limited is: International House, 1 St Katherine's Way, London, EW1 1UN.