International Schools Partnership Limited

7th Floor 280 Bishopsgate, London,
United Kingdom, EC2M 4RB

Consolidated financial statements
for the financial year ended 31 August 2023
Registered number 09817502

Contents

Consolidated strategic report

The directors present the strategic report and the financial statements of International Schools Partnership Limited (("the Company"), together with its subsidiaries ("the Group")) for the year ended 31 August 2023.

Group's principal activities and events of the 2023 financial year

The Company is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09817502 and the registered address is 7th Floor 280 Bishopsgate, London, United Kingdom, EC2M 4RB. The ultimate parent company is International Schools Partnership I S.à.r.l by virtue of its shareholding in the immediate parent company, Permotio International Learning S.à.r.l. The ultimate controlling party is Partners Group Access 188 PF LP.

The core activity of the Group is kindergarten through to twelfth grade (K-12) private education. Through its subsidiaries the Company acquires, operates and builds schools around the world, creating a global schools Group incorporating schools with an international outlook, which are or can become the school of choice in their local area. At the year end date the Group owned and operated 75 (2022: 60) schools with circa 70,000 (2022: 54,000) children enrolled from 2-18 years of age studying in the United Kingdom, Spain, Italy, Switzerland, Mexico, Malaysia, Costa Rica, the USA, Canada, Qatar, the United Arab Emirates, Ecuador, Chile, Peru, Colombia, India, Vietnam, Panama, Poland, Brazil and Thailand. The schools offer a diverse and enriching educational experience spanning British, Malaysian, International, Mexican, US, Costa Rican, Peruvian, Chilean, Colombian and Spanish curricula.

During the year, the Group made 11 acquisitions (2022: 6 acquisitions): Boston (Panama City, Panama), Leonardo (Bergamo, Italy), Manthan (Hyderabad, India), Wilanow (Wilanow, Poland), Alexandria (Alexandria, Italy), Fairmont (Anaheim, USA), English College (Dubai, UAE), BCIS (Phuket, Thailand), St George (Madrid, Spain), Aubrick (Sao Paulo, Brazil), and Bangkok Prep (Bangkok, Thailand). Post year-end, the Group has added 5 further schools based in Poland, the Dominican Republic, Morocco, India and Brazil bringing the number of schools it owns and operates to 81.

The Group completed an equity refinancing in July 2021 to raise further equity capital for future acquisitions. The refinancing resulted in Partners Group retaining a majority shareholding but also included investment by a new minority shareholder, OMERS ("OMERS Administration Corporation"). The debt facility agreement with Aremont Asset Management, Goldman Sachs Asset Management and Santander UK Plc was also amended to reflect additional draw down facilities and revised financial covenants. During the year, the Group increased its debt facility for new acquisitions and working capital purposes by €670,000,000 and €75,000,000 respectively, increasing the total debt facilities to €1,870,000,000 and €125,000,000. As at 31 August 2023, €679,600,000 and €45,000,000 remain undrawn on the respective debt facilities. The changes in equity and the debt facilities are disclosed in more detail within the relevant notes to the financial statements.

Results and position

The Group had net assets of €150,298,000 as at 31 August 2023 (2022: €260,862,000) and has made a loss of €159,541,000 during the financial year 2023 (2022: loss of €57,433,000), which will be carried forward to the following financial year. Included in the loss for the year is a loss of €1,948,000 from discontinued operations (2022: loss of €7,401,000), related to the closure of the school in May 2022 and subsequent sale of assets in Baton Rouge in December 2023. Revenue for the financial year 2023 was €546,112,000 (2022: €404,139,000). €41,871,000 of the increase is attributable to the acquisition of new schools in 2023. The remaining increase is due to organic growth of existing schools and full year ownership of acquisitions made in the year ended 31 August 2022.

The Group's directors assess performance and business risk using regular reporting by each subsidiary and investment which includes monitoring against agreed budgets and a set of key performance indicators ("KPIs"). The KPIs comprise both financial and non-financial measures. Non-financial KPIs primarily include ratios relating to student enrolments and utilisation, but also incorporate other key metrics associated with health and safety, the learning performance of the school and academic results.

Consolidated strategic report (continued)

Results and position (continued)

The key KPIs are as follows:

Year ended 31 August 2023	**Europe**	**Americas**	**Middle East**	**Asia**	**Other**	**Total**
Number of pupils*	14,000	32,000	10,000	14,000	-	70,000
Capacity*	17,000	42,000	15,000	27,000	-	101,000
Utilisation	82%	76%	67%	52%	-	69%
Number of schools	19	32	9	15	-	75
EBITDA** (€'000)	33,406	83,467	32,221	2,520	(35,837)	115,777
Revenue (€'000)	135,156	258,665	89,763	62,528	-	546,112

Year ended 31 August 2022	**Europe**	**Americas**	**Middle East**	**Asia**	**Other**	**Total**
Number of pupils*	10,000	28,000	7,000	9,000	-	54,000
Capacity*	12,000	37,000	13,000	22,000	-	84,000
Utilisation	83%	76%	54%	41%	-	64%
Number of schools	15	25	8	12	-	60
EBITDA** (€'000)	26,727	59,079	12,110	14,270	(29,582)	82,604
Revenue (€'000)	109,348	171,246	77,552	45,993	-	404,139

*Rounded to the nearest thousand
** "EBITDA" means operating profit before depreciation, amortisation and impairment

Reconciliation to alternative performance measures ('APMs')

Alternative performance measures are measures used by management to monitor the performance of the business. These are non-GAAP measures.

(in €000's)	**Note**	**Year Ended 31 August 2023**	**Year Ended 31 August 2022**
Operating profit		**143**	12,610
Add back:			
Depreciation and amortisation	-7-	**90,003**	69,994
Impairment of PPE and goodwill	-7-	**25,631**	-
EBITDA		**115,777**	82,604
Acquisitions	-4-	**14,154**	9,107
Refinancing	-4-	**1,036**	1,660
Restructuring costs	-4-	**8,948**	8,379
Adjusted underlying EBITDA		**139,915**	101,750

Adjustments to EBITDA are income or expenditure which, for the directors and financial statement reporting purposes, are disclosed separately because in management's judgement, due to their nature, size or incidence, they distort an understanding of the Group's financial performance and comparability between periods. The items of expenditure which management designate as being non-underlying include acquisition costs, refinancing costs, and business restructuring costs.

Consolidated strategic report (continued)

Results and position (continued)

Impairment charges in the current year have been recognised in respect to goodwill recognised on acquisition of Claremont School, operating in the United Kingdom. This impairment is discussed in more detail in note 13.

Acquisition costs are expenses (incurred in the statement of comprehensive (loss) / income) to seek out and acquire new schools or expansion opportunities. These include any legal and due diligence fees relating to potential or actual acquisitions as well as losses incurred prior to the opening of a new school. Although costs relating to projects can span multiple financial years, key components of expenditure for specific projects are non-recurring, for example financial due diligence, legal and market surveys. These costs have no relation to the operational results of existing schools and are split out to enable the reader of the financial statements to gain greater clarity of the underlying business performance.

Business restructuring costs in the current year mainly relate to debt refinancing projects and adjustments to contingent and deferred consideration on subsidiary acquisitions. Refinancing costs primarily consist of professional and legal fees. Costs of this nature should be considered as non-underlying as they are not part of the usual operations.

The change in the key KPIs above reflects both the acquisitions made (in the current and prior year) and the capital investment in existing schools to increase capacity. The increase in pupils reflects the varying size of the schools acquired during the financial year 2023 as well as growth in the underlying schools. The increase in adjusted EBITDA is attributable to the acquisitions made within the year and the organic performance of the Group.

Rising inflation, slowing economic growth, the global energy crisis, increasing interest rates, labour shortages and changes in consumer behaviour are just some of the risks the business currently faces. The Group has demonstrated adaptability and resilience in adjusting rapidly to challenging situations and expects to deal with the current economic challenges with the same resolve. The safety and wellbeing of our students, colleagues and families remains our top priority The directors continue to manage the financial risks on a regular basis. Forecasting, budgets and going concern assessments have been updated to respond to the increased economic risks imposing on the business. A risk committee has also been formed to identify, monitor and mitigate key risks.

Key risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to several risks. The key business risks affecting the Group are set out below:

Enrolments

Increasing enrolments in our schools is critical to our performance. The Group therefore continues to invest and improve the facilities and learning at the schools to retain and attract new students. The Group regularly reports on pipeline of new students as well as its retention of existing students so that the outlook is monitored. We continue to invest in our marketing and admissions capability particularly in the digital space to promote our schools as widely as possible.

Employees

The Group's performance depends on its head teachers and staff in each of its schools and the expertise in the various central and regional teams. The resignation of key individuals and the inability to recruit people with the right experience and skills from either local, national or international communities could adversely impact the Group's results. To mitigate these risks, the Group has invested in a leading recruitment tool and in-house recruitment specialists. We have also implemented enhanced review processes, personal development programmes and succession planning for key employees and regularly monitors its reward structure to ensure that it retains key employees. The Group has well established recruitment processes coupled with its in-house recruitment specialists to enable us to source high quality replacement staff and support the on-going expansion of the Group. The Group regularly surveys its employees using NPS, Gallup and other data to provide feedback to the schools and determine actions to improve employee engagement.

Consolidated strategic report (continued)

Key risks and uncertainties (continued)

License to operate

To operate our schools, we maintain various accreditations from curriculum providers and licenses from local education authorities. If any of our schools fails to meet the required standard, it could lose its license which could materially adversely affect our business prospects. Our regional structures include a regional managing director, supported by a director of learning who supports the regional managing director and head teachers to ensure that we meet the required educational standards and a regional head of property who supports the regional managing director on ensuring that schools are well invested and licences are maintained.

Fee increases

The Group needs to be able to sustain fee increases going forward to cover increases in operational costs, provide continual improvements in the students learning and provide investment in the school's facilities. Each school's ability to increase fees is dependent on several factors including local competition, quality of education at the school, local demographic and parent satisfaction as well as the local inflation rates. To mitigate this risk, our aim is to make our schools the 'school of choice' in its catchment area by utilising the resources made available to ISP schools when they join the group.

Financial risks

The Group's activities expose it to a variety of financial risks: market risk (including cash flow, foreign currency, interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the board of directors. The Group's objective when managing capital is to safeguard its ability to continue as a going concern, to provide returns to the shareholders and to maintain an appropriate capital structure to optimise the cost of capital.

Increasing energy prices and cost inflation have limited financial impact on the Group due to the stable nature of the educational sector and importance of education to parents.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a)(i) Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Group has limited exposure to currency risk as revenue and costs are generally in the same currency. It has some currency risk on certain purchases (accounting, audit and administrative services) that are denominated in a currency other than the functional currency. Foreign currency translation risk will continue to be significant given the diverse portfolio. A significant weakening of a currency in a region could adversely impact the value of future dividends from investments in that region. To mitigate foreign currency risk the Group maintains a portfolio of assets and holds bank accounts in all the currencies that the Group operates in. The Group acquired schools in 4 new countries during the year, Poland, Thailand, Brazil and Panama, further adding to number or foreign currencies that require repatriation and diversification of risk.

(a)(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Rising interest rates have an impact on the availability of cash in the Group as the interest burden on the Group's debt will increase. The Group's risk management strategy to protect the cash flows and minimise the adverse impact of increases in variable market interest rates is to enter into offsetting interest rate cap or swap contracts to fix the interest on its borrowings from third parties. The Group may formally designate one or more of these derivative financial instruments as a hedging relationship, subject to hedge accounting, if it meets all the qualifying effectiveness requirements. Refer to note 19.2 for further details on derivative instruments designated as hedges.

Consolidated strategic report (continued)

Key risks and uncertainties (continued)

Financial risks (continued)

(b) Credit Risk

Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group typically invoices customers in advance and has policies in place covering subsequent cash collection, which include regular review of outstanding receivables.

The carrying amount of current receivables represents the maximum credit exposure.

(c) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash balances and borrowing facilities, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group also performs regular cash forecasting at the subsidiary level along with the funding required for central and local cost centres. Funding for new transactions, including due diligence and other pre-transaction costs, is assessed and drawn down on a case-by-case basis.

Environmental matters

The Group's principal activity has a minimal direct impact on the environment, however, the directors believe that good environmental practices support the broader strategy of enhancing the reputation of the Group as well as fostering staff, parents and students morale. The Group is committed to reducing its carbon emissions as well as emission of other greenhouse gases and encourages energy and waste saving initiatives. The Group has committed to an initiative which will see it plant a tree for every student and employee using a reforestation specialist company, Tree Nation, and is also investing in installing solar power across appropriate schools.

Greenhouse gas emissions, energy consumption and energy efficiency action

The use of resources to supply educational services indirectly utilises finite global resources. The source of the raw materials and the supply of educational services is spread globally. We recognise, that our services indirectly utilise global resources some of which are limited in their nature.

The footprint from our UK operations is as follows:

	Year ended 31 August 2023		Year ended 31 August 2022	
Carbon emissions in UK	**Energy usage (kWh)**	**Tonnes of CO_2e**	**Energy usage (kWh)**	**Tonnes of CO_2e**
Scope 1 (gas)	750,131	137	633,525	116
Scope 2 (electricity)	780,716	162	1,198,150	262
Total footprint in UK	**1,530,847**	**299**	**1,831,675**	**378**

Group intensity measurement	**€'000**	**€'000**
Turnover in UK	13,303	11,002
Emissions (CO_2e) reported above per €'000 of turnover	0.02	0.03

The above has been calculated using information from suppliers and metre readings. Emissions were determined by applying the UK government conversion factors to the energy consumption values and aggregating the total.

Efforts are made to ensure that the footprint from the services we provide in the UK operations is minimised by reviews of inefficient operational practices and avoiding suppliers or regions where the employment or environmental practices are known to be below acceptable standards.

Consolidated strategic report (continued)

Human rights issues

The Group ensures that its business activities are conducted with the objective of protecting human rights of both teachers and students. Staff are strongly encouraged to report abuse, either to their line manager or to other members of the managerial hierarchy. The qualities of respect and dignity constitute the foundation of the services we provide and the importance of human rights forms one of the foundations of our business.

International Schools Partnership and the community

The Group has grown by acquisition of geographically and culturally diverse entities, and we have benefitted from pre-existing relationships of our staff and teachers with the community. These relationships ensure staff and teachers and students lead happy, rewarding lives during their student years. Schools have direct involvement in a number of community-based initiatives which help to enhance the schools' relationships with local communities.

Research and development

During the financial year, the Group has invested €0.6 million (2022: €1.0 million) in its proprietary learning and sharing platform (The Learning Hub) which is available to all staff. This amount has been capitalised in IT software.

Acquisition of own shares

During the financial year, International Schools Partnership Limited has not bought back any of its own shares (2022: none).

Branches of the Company

During the financial year, the Company has not held any branches outside the United Kingdom.

Going concern

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably plausible, but severe, downsides, the Company and Group will have sufficient funds, both through the currently available debt facilities and equity commitments, to meet liabilities as they fall due for that period. The forecasts indicate that the Company and Group will have sufficient cash and facilities to operate with a satisfactory level of headroom against the covenants in the debt facilities. Consequently, the directors are confident that the Company and Group will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. The Group has significant undrawn facilities for future acquisitions, please refer to note 20 for further details. Please refer to note 1 of the financial statements for the detailed management assessment.

Future outlook

Management are committed to growing the business, by investing in facilities, creating new capacity and improving the education provision at the existing schools as well as acquiring new schools.

After the reporting date the Group has acquired 5 new schools and drawn down €9.6 million and USD125.9 million of the respective acquisition debt facilities. See subsequent events, note 30, for further information.

Consolidated strategic report (continued)

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors of International Schools Partnership Limited consider that they have behaved in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole (with regards to the stakeholders and matters set out in s172 (1) (a to f) of the Companies Act) in the decisions taken during the year ended 31 August 2023.

Specific matters detailed in s172 and the actions taken by the directors with regards to these matters are summarised below:

Matters	Actions	Consideration and engagement
Likely consequences of any decision in the long term	Annually, the Board undertakes a review of the Company's strategy, including the budget for the forthcoming year and the plan for the next five years. Once approved, the plan and strategy form the basis for financial budgets and resource and investment decisions Both input to the budgets and output in terms of decision making involves both the Board and senior management. In making decisions concerning the business plan and future strategy, the Board has regard to the interests of various stakeholders and the consequences of its decisions in the long-term	Annual budget. 5-year plan
Interests of the Group's employees	Our employees are fundamental to the success of the business We aim to be a responsible employer in our approach to the pay and benefits that our employees receive and ensure that we adhere to all statutory employee health and safety standards	Employee reviews and appraisals Exit surveys Bonus schemes Health and safety certification
Need to foster the Company's business relationships with suppliers. customers and others	We are committed to securing strong working relationships with both our suppliers and customers in order to accentuate the performance of the Group, optimise the resources available to our employees and the experience of our pupils. We require that all companies within the Group ensure that suppliers adhere to acceptable employment. industry and environmental practices Managing good customer relations is a key area of focus which is supported by regular parent feedback surveys. the results and engagement of the surveys is reviewed at board level The leadership team at our schools are responsible for building strong relationships with parents and the local community Investors are actively communicated on Group performance. operations and strategy through monthly board meetings and are also attend risk and investment committees	Staff training Customer surveys
Impact of the Company's operations on the community and the environment	Recycling and reducing carbon footprint are widely encouraged throughout the Group and amongst employees The Group has also implemented initiatives mentioned in 'Environmental matters', such as use of solar power and planting a tree for every student in the Group. to raise awareness of environmental matters and get students engaged in the issue	Recycling Green-house gas emissions review
Desirability of the Group maintaining a reputation for high standards of business conduct	Our intention is to behave responsibly and ensure that management operate the business in a responsible manner and within high standards of business conduct and good governance	Audit committees Nonexecutive director Board appointments
Need to act fairly between members of the Company	The Board is committed to openly engaging with our shareholders. whether with institutional investors or private shareholders It is important that shareholders understand our strategy and objectives.	director meetings with shareholders

This report was approved by the board on 1 March 2024 and signed on its behalf.

Darren Mee
Chief Financial Officer

7th Floor 280 Bishopsgate, London.
United Kingdom. EC2M 4RB
1 March 2024

Consolidated directors' report

The directors present their report and the financial statements for the year ended 31 August 2023 for the Company and Group.

Proposed dividend

The directors do not recommend the payment of a dividend (2022: €nil).

Directors

The directors who held office during the year and to the date of signing the financial statements were as follows:
S D R Brown
L M Bucher
A D Deakin
G Dray (Resigned 10 July 2023)
J W Frankish (Appointed 15 November 2022)
Z L Howorth
D Mee
J Mussellwhite (Resigned 15 November 2022)
R J Robson
S Singh (Appointed 25 July 2023)

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provisions remain in force as at the date of this report.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2022: none).

Matters covered in the Strategic report

As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report instead. These matters relate to business review, financial risk management objectives and policies, including the policy for hedging, exposure to price risk, credit risk, liquidity risk and cash flow risk, research and development, existence of branches outside of the United Kingdom, information on acquisition of own shares, greenhouse gas emissions, energy consumption and energy efficient action, future developments, principal risks and uncertainties and financial key performance indicators. In addition, the Strategic report includes a statement summarising how the directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Group during the financial year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor's is aware of that information.

Consolidated directors' report

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 7.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Darren Mee
Chief Financial Officer

7th Floor 280 Bishopsgate, London,
United Kingdom, EC2M 4RB
1 March 2024

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

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

Company law requires the directors to prepare Group and parent Company financial statements for each financial year and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of International Schools Partnership Limited ("the Company") for the year ended 31 August 2023 which comprise the consolidated statement of comprehensive (loss) / income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, company balance sheet, company statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*: and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing" as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board meeting minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships; and
- Our forensic specialists assisted us in identifying key fraud risks. This included attending the Risk Assessment and Planning Discussion, holding a discussion with the engagement partner and engagement manager, and assisting with designing and executing of relevant audit procedures to respond to the identified fraud risks.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as goodwill impairment and business combination accounting. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited judgments as to when performance obligations are satisfied, reducing the opportunity and incentive to commit fraud.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or unexpected accounts where one side of the journal was posted to cash, where the credit side of the journal was posted to revenue, or where expenses were reclassified within the P&L resulting in an increase to EBITDA; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect *(continued)*

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, education regulations and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

PBarron

Paul Barron (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London,
E14 5GL
1 March 2024

Group consolidated statement of comprehensive (loss) / income from 1 September 2022 to 31 August 2023

(in €000's)	Note	Year ended 31 August 2023			Year ended 31 August 2022		
		Underlying	Non-Underlying	Total	Underlying	Non-Underlying	Total
Revenue	-2 & 6-	546,112	-	546,112	404,139	-	404,139
Cost of sales	-7 & 8-	(398,418)	-	(398,418)	(297,502)	-	(297,502)
Other costs	-7 & 8-	(7,779)	-	(7,779)	(4,887)	-	(4,887)
Acquisitions and business explorations	-4-	-	(14,154)	(14,154)	-	(9,107)	(9,107)
Refinancing	-4-	-	(1,036)	(1,036)	-	(1,660)	(1,660)
Restructuring costs	-4-	-	(8,948)	(8,948)	-	(8,379)	(8,379)
Adjusted EBITDA		**139,915**	**(24,138)**	**115,777**	**101,750**	**(19,146)**	**82,604**
Depreciation, amortisation and impairment	-7-			(115,634)			(69,994)
Operating profit				**143**			**12,610**
Finance income				12,723			100
Finance cost				(167,695)			(54,525)
Finance costs - net	-9-			(154,972)			(54,425)
Loss before tax from continuing operations				**(154,829)**			**(41,815)**
Tax charge	-10-			(2,764)			(8,217)
Loss for the year from continuing operations				**(157,593)**			**(50,032)**
Loss for the year from discontinued operations, net of tax	-12-			(1,948)			(7,401)
Loss for the year				**(159,541)**			**(57,433)**
Attributable to							
-Non-controlling interest				**(500)**			**(116)**
-Equity holders of the parent				**(159,041)**			**(57,317)**
Other comprehensive (loss) / income							
Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods (net of tax).							
Differences on exchange of foreign operations				(34,133)			69,649
Net gain on cash flow hedges	-19-			8,160			21,274
Net change in cost of hedging	-19-			(5,884)			(1,548)
Net other comprehensive (loss) / income				**(31,857)**			**89,375**
Total comprehensive (loss) / income for the year				**(191,398)**			**31,942**
Attributable to							
-Non-controlling interest				**(483)**			**(123)**
-Equity holders of the parent				**(190,915)**			**32,065**

The accompanying notes are an integral part of these consolidated financial statements

Group consolidated statement of financial position as at 31 August 2023

(in €000's)	Note	31 August 2023	31 August 2022
ASSETS			
Non-current assets			
Intangible assets and goodwill	-13-	990.689	690.599
Property, plant and equipment	-14-	1.340.060	860.630
Trade and other receivables	-15-	23,039	9.199
Non-current financial assets	-19-	33.711	27.913
Deferred tax assets	-11-	14.323	34.754
Total non-current assets		**2,401,822**	**1,623,095**
Current assets			
Inventories		1.543	712
Trade and other receivables	-15-	77.303	54.006
Prepayments	-16-	47.937	11,450
Current tax assets		7.663	8,064
Other current financial assets	-19-	-	1.410
Cash and cash equivalents	-17-	135.741	108.733
Assets held for sale	-12-	4.579	6.928
Total current assets		**274,766**	**191,303**
TOTAL ASSETS		**2,676,588**	**1,814,398**
EQUITY AND LIABILITIES			
Equity			
Share capital	-18.1-	14	14
Share premium	-18.1-	394.477	394.477
Capital contribution reserve	-18.2-	79.931	79.931
Other reserves	-18.3-	108.228	1.000
Translation reserves	-18.4-	15.525	49,675
Other components of equity	-18.5-	22.002	19.726
Retained earnings		(486.875)	(285.420)
Equity attributable to equity holders of the parent		133.302	259.403
Non-controlling interests	-18.6-	16.996	1,459
Total shareholders' equity		**150,298**	**260,862**
Non-current liabilities			
Loans and borrowings	-20-	1.967.644	1.226.359
Other non-current financial liabilities	-19-	48.310	7.244
Provisions	-21-	1,235	890
Deferred tax liabilities	-11-	72.880	61.631
Total non-current liabilities		**2,090,069**	**1,296,124**
Current liabilities			
Trade and other payables	-22-	132.215	74.590
Loans and borrowings	-20-	34.187	13.067
Other current financial liabilities	-19-	30.843	9.475
Term deposits	-23-	24,920	13.197
Deferred revenue	-6-	203.949	139.646
Current tax liabilities		10.107	7.437
Total current liabilities		**436,221**	**257,412**
TOTAL LIABILITIES		**2,526,290**	**1,553,536**
TOTAL EQUITY AND LIABILITIES		**2,676,588**	**1,814,398**

These financial statements were approved by the board of directors on 1 March 2024 and were signed on its behalf by

Darren Mee
Director

Company registered number 09817502

The accompanying notes are an integral part of these consolidated financial statements

Group consolidated statement of cash flows for the period from 1 September 2022 to 31 August 2023

	Notes	2023	2022
(in €000's)			
Cash flows from operating activities			
Loss for the year from continuing operations		(157.593)	(50.032)
Loss for the year from discontinued operations	-12-	(1,948)	(7.401)
Adjustments for:			
Depreciation, amortisation and impairment	-13, 14-	90.482	70.977
Impairment of goodwill	-13-	25.152	3.685
Share-based payment expense	-26-	1,000	-
Foreign exchange loss / (gain)		17.700	(13.390)
Finance income	-9-	(12.723)	(100)
Finance expense	-9-	167.695	54,525
Gain on lease modifications	-14-	13.506	-
Loss on sale of property, plant and equipment	-14-	1.386	1,821
Taxation	-10-	2,764	8.217
Increase in trade and other receivables	-15-	(23.789)	(16.531)
Increase in inventories		(545)	(80)
Increase in trade and other payables, term deposits and deferred revenue	-22, 23-	39.966	40,567
Utilisation of provisions	-21-	345	890
Cash generated from operating activities		163,398	93,148
Tax paid		(23,719)	(15,507)
Net cash from operating activities		**139,679**	**77,641**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	-29-	(389.318)	(172,270)
Prepaid consideration for acquisition of subsidiary	-16-	(27.233)	-
Payment of deferred consideration	-19.4-	(11.170)	-
Acquisition of property, plant and equipment	-13, 14-	(72.424)	(49.740)
Proceeds on disposal of property, plant and equipment		3,119	-
Interest received	-9-	12,723	100
Net cash used in investing activities		**(484,303)**	**(221,910)**
Cash flows from financing activities			
Acquisition of non-controlling interest	-29-	(3,427)	-
Prepaid proceeds for the issue of share capital and share premium	-18-	106,228	-
Proceeds from the issue of share capital and share premium	-18-	-	93.887
Proceeds from new bank loan	-20-	449,115	46.500
Interest paid	-20-	(92.406)	(68.972)
Loan arrangement fees paid	-20-	(12.150)	(612)
Repayment of borrowings	-20-	(27.168)	(30,788)
Payment of lease liabilities	-20-	(44,173)	(27.016)
Net cash from financing activities		**376,019**	**12,999**
Net increase in cash and cash equivalents	-17-	**31,395**	**(131,270)**
Cash and cash equivalents at 1 September		108.733	229,219
Effect of exchange rate fluctuations on cash held		(4.387)	10,784
Cash and cash equivalents at 31 August	-17-	**135,741**	**108,733**

The accompanying notes are an integral part of these consolidated financial statements

Consolidated financial statements
International Schools Partnership Limited
Registered number 09817502

Group consolidated statement of changes in equity from 1 September 2022 to 31 August 2023

	Note	Share capital	Share premium	Capital contribution reserve	Other reserves	Translation reserves	Cash flow hedge reserve	Cost of hedging reserve	Retained earnings	Total	NCI	Total equity
		Attributable to the owners of the parent										
		€000's	€000's	€000's	€000's	€000's	€000's	€000's	€000's	€000's	€000's	€000's
Balance as at 31 August 2021		14	464,477	79,931	-	(25,473)	-	-	(404,471)	114,478	(3,968)	110,510
Transactions with owners, recorded directly in equity												
Share capital and share premium increase	-18.1-	-	93,887	-	-	-	-	-	-	93,887	-	93,887
Capital reduction	-18.1-	-	(163,887)	-	-	-	-	-	163,887	-	-	-
Acquisition of subsidiaries	-29-	-	-	-	-	-	-	-	-	-	5,550	5,550
Total contribution by and distributions to owners		-	(70,000)	-	-	-	-	-	163,887	93,887	5,550	99,437
Total comprehensive income for the period												
Result for the year		-	-	-	-	-	-	-	(57,317)	(57,317)	(116)	(57,433)
Other comprehensive income		-	-	-	-	69,656	21,274	(1,548)	-	89,382	(7)	89,375
Share-based payments	-26-	-	-	-	1,000	-	-	-	-	1,000	-	1,000
Recognition of fair value adjustments on land previously written off	-14-	-	-	-	-	5,492	-	-	2,292	7,784	-	7,784
Reversal of excess depreciation and finance lease interest previously recognised on a leased building	-14, 20-	-	-	-	-	-	-	-	10,189	10,189	-	10,189
Total comprehensive income for the period		-	-	-	1,000	75,148	21,274	(1,548)	(44,836)	51,038	(123)	50,915
Balance as at 31 August 2022		14	394,477	79,931	1,000	49,675	21,274	(1,548)	(285,420)	259,403	1,459	260,862
Transactions with owners, recorded directly in equity												
Share capital and share premium increase	-18.1-	-	-	-	106,017	-	-	-	-	106,017	-	106,017
Capital reduction	-18.1-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares	-18.3-	-	-	-	211	-	-	-	-	211	-	211
Acquisition of subsidiaries	-29-	-	-	-	-	-	-	-	-	-	13,647	13,647
Acquisition of non-controlling interest	-29-	-	-	-	-	-	-	-	(5,800)	(5,800)	2,373	(3,427)
Options to purchase non-controlling interests	-19, 29-	-	-	-	-	-	-	-	(36,614)	(36,614)	-	(36,614)
Share-based payments	-26-	-	-	-	1,000	-	-	-	-	1,000		1,000
Total contribution by and distributions to owners		-	-	-	107,228	-	-	-	(42,414)	64,814	16,020	80,834
Total comprehensive income for the period												
Result for the year		-	-	-		-	-	-	(159,041)	(159,041)	(500)	(159,541)
Other comprehensive income		-	-	-	-	(34,150)	8,160	(5,884)	-	(31,874)	17	(31,857)
Total comprehensive income for the period		-	-	-	-	(34,150)	8,160	(5,884)	(159,041)	(190,915)	(483)	(191,398)
Balance as at 31 August 2023		14	394,477	79,931	108,228	15,525	29,434	(7,432)	(486,875)	133,302	16,996	150,298

The accompanying notes are an integral part of these consolidated financial statements

Notes to the consolidated financial statements

NOTE 1 - GENERAL INFORMATION

International Schools Partnership Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09817502 and the registered address is 7th Floor 280 Bishopsgate, London, United Kingdom, EC2M 4RB. The ultimate parent company is International Schools Partnership I S.à.r.l by virtue of its shareholding in the immediate parent company, Permotio International Learning S.à.r.l. The consolidated financial statements of the Company for the year ended 31 August 2023 comprise the Company and its subsidiaries (together referred to as "International Schools Partnership Group" or "the Group"). The parent company financial statements on pages 101 to 114 present information about the Company as a separate entity and not about its group.

The core activity of the Group is kindergarten through to twelfth grade (K-12) private education and the Company is acquiring, through its subsidiaries, schools around the world to create a global Group with schools having an international outlook and which are or can become the school of choice in their local area. At the year end date the Group owned and operated 75 (2022: 60) schools with around 79,000 children (2022: 54,000) from 2-18 years of age studying in the United Kingdom, Spain, Italy, Switzerland, Mexico, Malaysia, Costa Rica, the USA, Canada, Qatar, the United Arab Emirates, Ecuador, Chile, Peru, Colombia, India, Vietnam, Panama, Poland, Brazil and Thailand. The schools offer a diverse and enriching educational experience spanning British, Malaysian, International, Mexican, US, Costa Rica, Peruvian, Chilean, Colombian and Spanish curricula.

The Group may borrow in any form except by way of public offer and proceed by private placement only to the issue of bonds, notes, debentures or any kind of debt or equity securities.

The Group may lend funds, including without limitation, resulting from any borrowings of the Group and/or from the issue of any equity or debt securities of any kind, to its subsidiaries, affiliated companies and/or any other companies or entities it deems fit.

The Group may further guarantee, grant security in favour of or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same Group. The Group may further give guarantees, pledge, transfer or encumber or otherwise create security over some or all its assets to guarantee its own obligations and those of any other company, and generally for its own benefit and that of any other company or person. For the avoidance of doubt, the Group may not carry out any regulated activities of the financial sector without having obtained the required authorisation.

The Group may further act as a general or limited member with unlimited or limited liability for all debts and obligations of partnerships or similar entities.

The Group may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks. These consolidated financial statements state the results and position of the Group in the year ended 31 August 2023.

Going concern
The financial statements have been prepared on a going concern basis which assumes that the Group and Company will continue in operational existence for at least 12 months from the date of these financial statements.

The Group had net assets of €150,298,000 as at 31 August 2023 (2022: €260,862,000), generated a loss for the year then ended of €159,541,000 (2022: €57,433,000) and had operating cash inflows for the year of €139,679,000 (2022: €77,641,000). The Group has undrawn debt facilities of €724,600,000 at the year-end (2022: €428,500,000). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Notes to the consolidated financial statements (continued)

NOTE 1 - GENERAL INFORMATION (continued)

Going concern (continued)
The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably plausible, but severe, downsides, the Group and Company will have sufficient funds, both through the currently available debt facilities and equity commitments, to meet liabilities as they fall due for that period. The forecasts indicate that the Group and Company will have sufficient cash to operate with a satisfactory level of headroom against the covenants in the debt facilities.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation
The Group financial statements have been prepared and approved by the directors in accordance UK-adopted international accounting standards ("UK-adopted IFRS").

The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 101 to 114.

The consolidated financial statements are presented in Euro ("€"), which is the Company's functional currency and the Group's adopted presentational currency. The consolidated financial statements are prepared on a historical cost basis except for derivative financial instruments and contingent consideration that have been measured at fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

The consolidated financial statements are rounded to the nearest thousand Euro ("€000's").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

2.2 Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at 31 August 2023. Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. When the Group has less than a majority of the voting or similar rights of an entity, the Group considers all relevant facts and circumstances in assessing whether it has power over the entity, including the contractual arrangements with the other vote holders of the entity, rights arising from other contractual arrangements and the Group's voting and potential voting rights. Refer to note 3.1 for further details.

The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Basis of consolidation (continued)
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value subsequently becomes the initial carrying amount for the purposes of accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive (loss) / income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive (loss) / income are reclassified to profit or loss.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Use of estimates
The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of increases and decreases in net assets attributable to shareholders during the reporting year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3. Management believes that the underlying assumptions are appropriate and that the Group's consolidated financial statements therefore present the financial position and results fairly.

2.4 Foreign currency translation
(i) Functional and presentational currency:
The items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is the Euro and the Group has adopted the Euro as its presentational currency for the consolidated financial statements.

(ii) Foreign currency transactions and balances:
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the consolidated statement of comprehensive (loss) / income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

(iii) Subsidiaries
The results and financial position of the consolidated subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
(b) income and expenses for each statement of comprehensive (loss) / income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
(c) all resulting exchange differences are recognized in the consolidated statement of comprehensive (loss) / income within other comprehensive income.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Group are reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and subsequently translated at the closing rate at each reporting date.

2.5 Business combinations

All business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which the control is transferred to the Group. The cost of the acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in acquisitions and business explorations expense in the consolidated statement of comprehensive (loss) / income.

Goodwill is initially measured at cost at the acquisition date, calculated as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount, based on fair value, of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

If the initial accounting for a business combination is incomplete by the end of a reporting period in which the acquisition occurred, the Group reports provisional amounts for the incomplete items. The provisional amounts are adjusted during the measurement period, or additional assets and liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Any fixed part of cash consideration that is deferred is recognised as deferred consideration. Contingent consideration arises when the Group has an obligation to transfer additional assets to the former owners of an acquiree if specified future events occur or conditions are met. The liability is recognised at fair value, with any payments due in greater than 12 months discounted to its present value as at the date of acquisition. Subsequent changes in fair value of contingent consideration are recognised in the statement of comprehensive (loss) / income. Subsequent changes in fair value that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The Group accounts for put options issued over the equity of subsidiary companies as financial liabilities, reported in contingent consideration. The potential cash amounts that may become payable under the option on exercise are initially recognised at the present value of the expected gross obligation, with the corresponding entry recognised directly in retained earnings. Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The accretion charge is recognised in finance costs. The present value of the expected gross obligation is reassessed at the end of each reporting period and any changes are recorded in the statement of comprehensive (loss) / income. In the event that an option expires unexercised, the liability is derecognised with the corresponding adjustment to retained earnings.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Business combinations (continued)
Where the Group increases its interest in an entity such that control is achieved, previously held identifiable assets, liabilities and contingent liabilities of the acquired entity are revalued to their fair value at the date of acquisition, being the date at which the Group achieves control of the acquiree. The movement in fair value is taken to the asset revaluation surplus.

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

2.6 Revenue
The Group recognises revenue when a performance obligation is satisfied. This is when control of the goods or services underlying the performance obligation is transferred to the students. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the performance obligation if one of the following criteria is met:

- the student simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the student controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the student obtains control of the distinct good or service.

Revenue comprises the fair value of consideration received or receivable in the ordinary course of the Group's activities, including tuition fee income and income from ancillary sources including examinations, school trips and bus transportation.

Revenue recognition criteria by revenue type are as follows:
Tuition fee income
Tuition fee income is recognised evenly over the academic year to which the services relates, which the Group deems to be a period of ten months.

Enrolment fee income
Enrolment fee income is recorded immediately in the consolidated statement of comprehensive (loss) income when the underlying performance indicator has occurred.

Other income
Revenue from ancillary sources is recognised evenly over the related service period. Other income includes amounts paid for school lunches, transport and other extra-curricular activities.

All revenue is presented net of discounts, and the net amount represents the consideration which the Group expects to recover.

Fees are billed in advance, either annually, per term or monthly. Performance obligations which have been paid but not yet delivered and not yet recognised as revenue are included on the consolidated statement of financial statement as deferred income.

Term deposits relate to fees that may result in a return of funds to a student. These are reported as a financial liability until they are either returned to the student or the terms and conditions under which it can be refunded has expired or is no longer valid. At this point, the fee is either earned and revenue is recognised, or the fees have been refunded and the liability is relieved.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Revenue (continued)
Non-refundable deposits relate to fees that have no terms or conditions attached which would result in any monies ever being returned to the student. The revenue is earned and recognised to the extent that the services have been fulfilled, with any excess deferred and recognised over the Group's average student tenure.

Where a student leaves a school ahead of the full annual tuition being provided, or ahead of the end of the period for which related fees are being recognised and if there is no recourse to repay any amounts, it is deemed that the performance condition has been satisfied and all remaining revenue is recognised at this time.

Trade receivables are recognised for unsettled invoices raised for services to students where there is an unconditional right to receive the consideration under the contract in place. If any element of the contract could be cancelled, without penalty, leading to the receivable not being recoverable, the trade receivable is not recognised and there is no associated deferred income balance.

2.7 Income tax expense
The tax expense for the year comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in correlation to the underlying transaction outside of profit or loss.

Current and deferred tax assets and liabilities are only offset if certain criteria are met, such as the entity has the legal right and the intention to settle on a net basis.

Current income tax
Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the consolidated statement of financial position date. Certain subsidiaries are subject to foreign taxes in respect to their net income and capital gains in their country of operation.

Deferred income tax
Deferred income tax assets and liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill, or of an asset, or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable income or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred tax assets are only recognised on three years of tax losses, if appropriate.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realised, or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Finance income and expenses

Finance income and expenses comprise interest income and expenses and are recognised using the effective interest rate method, except for borrowing costs relating to qualifying assets. General and specific borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Interest income and interest expense is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

2.9 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale or disposal, excluding finance costs and income tax expense. Non-current assets are not depreciated or amortised once classified as held for sale.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in profit or loss after tax from discontinued operations in the statement of profit or loss.

2.10 Property, plant and equipment

Property, plant and equipment are all stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment are depreciated using the following criteria:

	Depreciation method	Estimated years of useful economic life
Land	Not depreciated	
Buildings	Straight-line	19 – 50
Fixtures, fittings and equipment	Straight-line	10 – 20
Other assets	Straight-line	4 – 10
Construction in progress	Not depreciated until asset is in use	

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases acquired in a business combination

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Lease liability and associated right-of-use assets acquired in a business combination for which the lease term ends within 12 months of the acquisition date or, leases for which the underlying asset value is low, are not recognised.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Intangible assets

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Refer to note 2.13 for further details.

Acquired intangible assets

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired in a business combination include student registries and brands. Student registry assets are recognised in all acquisitions. Brand assets are recognised if they are deemed to generate future economic benefits for the Group. Both qualitative and quantitative information is reviewed in the brand assessment, including catchment area, the ability to increase enrolments by reputation, and the ability to charge premium fees in comparison to the key competitor market average.

The fair value technique used for measuring student registries is the multi-period excess earnings method, which considers the present value of net cash flows expected to be generated by the student registries, by excluding any cash flows related to contributory assets.

The fair value technique used for measuring brands is the relief-from-royalty method, which considers the discounted estimated royalty payments that are expected to be avoided as a result of the brands being owned.

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. Capitalised software costs include external direct costs of goods and services, as well as internal payroll-related costs for employees who are directly associated with the project.

Amortisation

Amortisation is charged to the statement of comprehensive (loss) / income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets, including licences, are amortised from the date they are available for use. The estimated useful lives are as follows:

	Estimated years of useful economic life, in years
Student registry	5 – 18
Brand	18 – 20
Software	5
Other intangible assets	10

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials and direct labour. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ("CGU"). For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. The allocation of CGUs is detailed further in note 3.

Where the recoverable amount of the cash generating unit is higher than the carrying amount of the assets, no impairment is required. Where impairment is required, this expense is recognised in other costs in the statement of comprehensive (loss) / income. Impairment losses recognised in respect of CGUs is allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. See note 3.2 and note 13 for further disclosures.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Fair value estimates

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. The Group has established a control framework with respect of the measurement of the fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as recent price transaction, estimated discounted cash flows, EBITDA or enterprise value multiples and makes assumptions that are based on market conditions existing at the date of financial position. The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

For instruments for which there is no active market, the Group may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value of trade and other receivables, cash and cash equivalents, trade and other payables and term deposits are assumed to approximate their fair values, due to their respective short-term nature.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Fair value estimates (continued)

The Group recognises transfers between levels of the fair value hierarchy at the end of each reporting period during which the change has occurred.

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of the discounted cash flow and sensitivity analysis.

Changes in assumptions about these factors could affect the reported fair value of financial instruments in the consolidated statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument when available. To assess the significance of a particular input to the entire measurement, the Group performs sensitivity analysis or stress testing techniques.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.15 Financial assets

2.15.1 Classification

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in subsidiaries are carried at cost less impairment, accounted for using the equity method.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Financial assets (continued)

2.15.2 Subsequent measurement
Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2.15.3 Derecognition
The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
    - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2.15.4 Impairment
The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full after investigation.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Financial liabilities and equity

2.16.1 Classification

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

2.16.2 Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

2.16.3 Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2.17 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as interest rates caps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

For the purpose of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to variability in cash flows is either attributable to a particular risk associated with a recognised asset or liability or a highly probably forecast transaction.
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Derivative financial instruments and hedge accounting (continued)
The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument.
- the effect of credit risk does not dominate the value changes that result from the economic relationship.
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as follows:

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in far value of the hedged item.

The Group designates only the intrinsic value of the interest rate caps as a hedging instrument. The time value element is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

2.18 Loans and borrowings
Borrowings are recognised initially at fair value, net of direct transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive (loss) / income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Loans and borrowings (continued)

When borrowings are including floor or cap rates which are defined as closely related embedded derivatives, they are not separated from the host contract.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.19 Current and non-current classification

Current assets are assets expected to be realised or consumed in the normal course of the Group's operating cycle (normally within one year). All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the Group's operating cycle (normally within one year) or liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2.21 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

2.22 Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment (see note 2.15.4). Trade receivables that are known to be uncollectible are written off by reducing the carrying amount directly.

2.23 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

2.24 Share-based payment transactions

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date using an appropriate valuation model. The fair value excludes the effect of non-market based vesting conditions.

The fair value determined at the grant date of the equity settled share-based payments is recognised in employee benefits expense over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss, with the corresponding adjustment in equity reserves.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Provisions
Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.26 Long-term incentive plan
Certain employees of the Group are entitled to receive remuneration in the form of awards based on performance. The awards are issued annually and will vest at the time of the Group's next equity refinancing, which is deemed to be in 3 years.

A liability is recognised for the fair value of the future settlement of awards outstanding at each reporting date. The awards outstanding are measured initially, and at each reporting date up to and including the vesting date, at fair value. The initial fair value of any awards granted are recognised in staff costs, with any changes in fair value at each reporting date up to and including the vesting date, recognised in finance costs. The fair value is determined using an appropriate valuation model.

2.27 Adoption of new and revised IFRS
The Group has applied all IFRS that are currently applicable in the preparation of these consolidated financial statements. New standards, amendments and interpretations are adopted, if applicable to the Group, when they become effective.

The directors consider that there is no significant financial impact on the Group financial statements of the following new standards, amendments and interpretations that are in issue and mandatory for the financial year ending 31 August 2023:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1)
- Climate-related Disclosures (IFRS S2)
- Lack of Exchangeability (Amendments to IAS 21)

There are no other standards, amendments or interpretations that are in issue but not yet effective that are expected to have a significant impact on the consolidated financial statements.

Notes to the consolidated financial statements (continued)

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES

The estimates and judgments made by management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances.

3.1 Judgements

In the process of applying the Group's accounting policies, which are described in note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Presentation currency
The Group has elected to use the Euro as the presentation currency for these financial statements. The vast majority of the Group's transactions are denominated in Euro. The Euro is consequently an appropriate choice for presentation currency in these financial statements. As more subsidiaries are acquired it is likely that these will transact business in other currencies. At this time, the Group will continue to use the Euro as its presentation currency but will provide further information to explain the expected economic effects of a rate change on its cash flows and equity in cases where, in the opinion of management, there is a material risk of exchange rate volatility.

Control assessment & de facto control
A Group controls an entity when it has power over the entity; is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power can arise from voting rights the Group holds in the investee or contractual arrangements. The power to direct the relevant activities of the investee do not need to be exercised. The Group invests in its subsidiaries by acquiring the majority of the voting rights (share capital) of the subsidiaries or through contractual arrangements with the other shareholders (see note 24 and the appendix).

Although the Group owns less than half of the shares of the following entities, management has determined that the Group controls these entities:

- Al Nibras International Private School LLC
- Aspen Heights British School LLC
- Aspen Heights Educational Facilities Management Sole Proprietorship LLC
- Hanoi Toronto Joint Stock Company
- Ilmu Bijak Bestari Sdn. Bhd.
- ISP Holdings 3 Ltd.
- Manthan Educational Society
- PIL (Dubai) SPC 1 Ltd
- Reach British School LLC
- St. Mary's Society
- Tenby Education Sdn. Bhd.
- Tenby Labuan Foundation
- The Aquila School Owned by Shaikh Mohammed Maktoum Juma Al Maktoum One Person Company LLC
- The Hamilton International School LLC

Management has determined that the Group controls these entities. This is by virtue of contractual agreements with the above listed companies' other shareholders whereby the Group exercises management control over the entities and is entitled to 100% of the profit or loss of the entities.

Cash generating units (CGUs)
Goodwill and intangible assets acquired in business combinations are allocated, at the date of acquisition, to each of the CGUs or groups of CGUs, expected to benefit from the synergies of the business combination. Each individual school is considered a CGU. The allocation of goodwill to a CGU or group of CGUs is judgemental and the directors consider that goodwill is often attributable to a grouping of similar schools in the same region.

Notes to the consolidated financial statements (continued)

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES (continued)

3.1 Judgements (continued)

Cash generating units (CGUs continued)
Impairment is tested at the lowest level at which goodwill and intangible assets are monitored for internal reporting purposes. The grouping of CGUs used to monitor and assess for impairment is shown below:

Cash generating unit	Location
Al Nibras International Private School	UAE
Asia Pacific School	Malaysia
Baton Rouge International School	USA
Bellevue Children's Academy	USA
British Education Management (St George)	Spain
Claremont School	UK
Colegios Laude	Spain
Colegios Pedro de Valdivia	Chile
Instituto Thomas Jefferson Group	Mexico
Kehoe-France School	USA
Liceo Panamericano & Colegio La Moderna	Ecuador
La Colina	Colombia
Montessori Academy of Broward	USA
Park House English School	Qatar
Reach British School	UAE
St Jude School	Costa Rica
St George's College	Peru
Tenby Group	Malaysia
Tomás Alva Edison School	Mexico
Lynn Rose School	Canada
Rowntree Montessori School	Canada
British School of Geneva	Switzerland
Mile Bilingual School	Italy
British Royal School	Chile
Riviera Preparatory and Day Schools	USA
Straits International Education Group	Malaysia
Ecole Mosaic	Switzerland
Colegio Terranova	Ecuador
St. Mary's School	India
Star International School	UAE
Boston School International	Panama
Leonardo da Vinci Scuola Paritaria	Italy
Manthan International School	India
British School of Wilanow	Poland
Alexandria International School	Italy
Fairmont Schools	USA
The English College Dubai	UAE
Berda Claude International School of Phuket (BCIS)	Thailand
St. George Madrid	Spain
Aubrick	Brazil
Bangkok International Preparatory and Secondary School	Thailand

Notes to the consolidated financial statements (continued)

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES (continued)

3.2 Assumptions and estimation uncertainties

The Group makes estimates and assumptions about the development of future events. Those estimates and assumptions that may cause material adjustment in the carrying value of assets and liabilities over the next 12 months pertain to the following:

Fair value measurement of financial instruments
When the fair values of financial assets and liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Assumptions include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 19 for further disclosures.

Recoverability of deferred tax assets
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management is required to determine the amount of deferred tax assets that can be recognised, which requires management to estimate the likely timing and the level of future taxable profits, together with future tax planning strategies, to determine the amount of the deferred tax asset that is appropriate to recognise. See note 11 for further disclosures.

Impairment of non-financial assets
The Group has recognised intangible assets in relation to goodwill and the valuation of student registry and brands arising on the acquisition of subsidiaries. The Group is required to make judgements on whether non-financial assets (including the goodwill, student registry and brand balances) are recoverable and to estimate the recoverable amount of these assets. The recoverable amount of goodwill is assessed on an annual basis for impairment. The recoverable amount of the CGUs is based on the higher of fair value less cost of disposal ("FVLCD") and value in use ("VIU"). Fair value is determined by multiplying the budgeted normalised EBITDA for the following financial year by a multiple, based on the market expectation of multiples applied in the education industry. The valuation is considered to be level 3 in the fair value hierarchy, due to use of the EBITDA multiple, which is an unobservable input, in the valuation. The calculation of value in use is detailed in note 13.

Acquisition accounting
The Group initially recognises the assets and liabilities acquired in a business combination at their fair value, which involves significant judgement in determining the valuation of the separable intangible assets acquired.

Intangible assets recognised for student registries and brands are established using a level 3 fair value measurement technique (see note 2.12). The inputs for these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The estimates involve determining the future cash flows expected to be generated from the assets and the appropriate discount rate to use. When assessing the values of the intangible assets, management is required to exercise judgement in determining the future profitability and cash flows of those assets, royalty rates, life of customer base, growth rates and the appropriate weighted average cost of capital. Changes in assumptions relating to these factors could affect the fair value of the assets recognised on acquisition. See notes 13 and 29 for further disclosures.

The total value of other intangibles recognised during the year ended 31 August 2023 due to acquisitions was €94,532,000 (2022: €36,354,000). The impact of making different judgements regarding these intangible assets would be to increase or decrease goodwill by the equivalent amount.

Notes to the consolidated financial statements (continued)

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES (continued)

3.2 Assumptions and estimation uncertainties (continued)

Leases

In valuing the lease liability and right-of-use asset, judgement is involved in determining the appropriate discount rate to calculate the lease liability and the lease term where contracts included renewal options. Renewal options are included in a number of leases across the Group. In determining the lease term, management consider all the facts and circumstances that create an economic incentive to exercise the renewal option. Periods of extension are only included in the lease term if it is reasonably certain that the lease will be extended. The lease term is reviewed if a significant event or a significant change in circumstances occurs that is within the control of the Group.

For the discount rates, the interest rate implicit in the lease should be used. If this rate cannot be readily determined, the incremental borrowing rate of the lessee should be used. The implicit rate in the lease would require the Group to have access to the lessors' sensitive information in relation to pricing of contracts and returns being made, which it does not. As such, the Group uses the incremental borrowing rate across all leases. The incremental borrowing rate is based on the sum of the risk free rate of the country in which the school operates and the credit spread derived from comparable bonds with companies operating in educational services with similar credit ratings.

For leases acquired in a business combination, the Group is required to value the right-of-use asset using the market terms of the lease as if it were a new lease at the acquisition date. When assessing the market terms of the lease, management is required to make assumptions about comparable properties with similar terms to the existing lease. The inputs to this assessment are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the market rates. Therefore, there is high estimation uncertainty involved in assessing the fair value of the lease in a business combination, and changes in market term assumptions can have a material impact. The impact of making different judgements regarding these market rates would be to increase or decrease goodwill by the equivalent amount.

Notes to the consolidated financial statements (continued)

NOTE 4 – NON-UNDERLYING ITEMS

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Acquisitions	14,154	9,107
Refinancing	1,036	1,660
Restructuring costs	8,948	8,379
	24,138	**19,146**

Non-underlying items are income or expenditure which, for the board of directors and financial statement reporting purposes, are disclosed separately because in management's judgement, due to their nature, size or incidence, they distort an understanding of the Group's financial performance and comparability between periods. The items of expenditure which management designate as being non-underlying include acquisition costs, refinancing costs, business restructuring costs and impairment of assets.

Acquisition costs are expenses (incurred in the statement of comprehensive (loss) / income) to seek out and acquire new schools or expansion opportunities. These include any legal and due diligence fees relating to potential or actual acquisitions as well as losses incurred prior to the opening of a new school. Although costs relating to projects can span multiple financial years, key components of expenditure for specific projects are non-recurring, for example financial due diligence, legal and market surveys. These costs have no relation to the operational results of existing schools and are split out to enable the reader of the financial statements to gain greater clarity of the underlying business performance.

Business restructuring costs in the current year mainly relate to debt refinancing projects and adjustments to contingent and deferred consideration on subsidiary acquisitions. Refinancing costs primarily consist of professional and legal fees. Costs of this nature should be considered as non-underlying as they are not part of the usual operations.

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency and interest rate risk), credit risk and liquidity risk.

(a) Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(b) Foreign currency risk
Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Group has significant and expanding international operations trading in non-Euro currencies. Movements in exchange rates can cause currency exposures to the Group's consolidated Euro financial results. Trade in foreign subsidiaries is usually conducted in local currencies and, where appropriate, intercompany loan balances are held in their respective currencies to mitigate the risk of exposure to the Group's assets and liabilities from exchange movements.

Taking into account the different functional currencies within the Group, the following tables demonstrate the sensitivity to a reasonably possible change in the below currencies, with all other variables held constant. A 10% strengthening or weakening (2022: 10% strengthening or weakening) of the following currencies against the Euro would have increased (decreased) profit or loss by the amounts shown below.

As at 31 August 2023:

	Net assets		Profit or loss	
Effect in €000's	Strengthening	Weakening	Strengthening	Weakening
Brazilian real (BRL)	(229)	229	-	-
British pound sterling (GBP)	259	(259)	2,130	(2,130)
Canadian dollar (CAD)	1,073	(1,073)	9	(9)
Chilean peso (CLP)	3,836	(3,836)	956	(956)
Chinese yuan (CNY)	149	(149)	52	(52)
Colombian peso (COP)	1,408	(1,408)	123	(123)
Costa Rican Colón (CRC)	1,496	(1,496)	99	(99)
Hong Kong dollar (HKD)	(11)	11	-	-
Indian rupee (INR)	4,521	(4,521)	(486)	486
Malaysian ringgit (MYR)	8,587	(8,587)	249	(249)
Mexican peso (MXN)	7,600	(7,600)	889	(889)
Peruvian sol (PEN)	6,386	(6,386)	913	(913)
Polish zloty (PLN)	1,812	(1,812)	-	-
Qatari riyal (QAR)	430	(430)	471	(471)
Swiss franc (CHF)	(553)	553	198	(198)
Thai bhat (THB)	(604)	604	175	(175)
United Arab Emirates dirham (AED)	9,101	(9,101)	(1,970)	1,970
United States dollar (USD)	40,018	(40,018)	947	(947)
Vietnamese dong (VND)	(1,125)	1,125	(930)	930

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(b) Foreign currency risk (continued)

As at 31 August 2022:

	Net assets		Profit or loss	
Effect in €000's	Strengthening	Weakening	Strengthening	Weakening
British pound sterling (GBP)	(4,271)	4,271	(2,632)	2,632
Canadian dollar (CAD)	1,171	(1,171)	(76)	76
Chilean peso (CLP)	1,077	(1,077)	557	(557)
Colombian peso (COP)	1,297	(1,297)	90	(90)
Costa Rican Colón (CRC)	566	(566)	52	(52)
Indian rupee (INR)	1,927	(1,927)	80	(80)
Malaysian ringgit (MYR)	3,195	(3,195)	(457)	457
Mexican peso (MXN)	6,716	(6,716)	(1,227)	1,227
Peruvian sol (PEN)	863	(863)	433	(433)
Qatari riyal (QAR)	(53)	53	317	(317)
Swiss franc (CHF)	(694)	694	143	(143)
United Arab Emirates dirham (AED)	(8,820)	8,820	132	(132)
United States dollar (USD)	(1,131)	1,131	1,072	(1,072)
Vietnamese dong (VND)	35	(35)	(111)	111

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate profile of the Group's interest-bearing financial instruments is disclosed in note 20.

The Group's loans and borrowing issued at variable market interest rates expose the Group to cash flow interest rate risk. The Group's risk management strategy to protect the cash flows and minimise the adverse impact of increases in variable market interest rates is to enter into offsetting interest rate cap or swap contracts to fix the interest on its borrowings from third parties. As at 31 August 2023, the Group had entered into interest rate cap contracts which were formally designated as a hedging relationship, refer to note 19.2.

At 31 August 2023, the Group had exposure to interest rate sensitivity in respect of variable rate loans. A change of 1% in interest rates would have decreased equity and comprehensive loss by €10,296,000 (2022: decrease equity and comprehensive loss by €5,199,000). This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables remain constant and considers the effect of financial instruments with variable interest rates and the impact of the related derivative assets and liabilities. This analysis is performed on the same basis for 31 August 2022.

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk

Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's accounting policies for financial assets is consistent with the requirement of IFRS 9. The schools within the Group recognise provisions and impairments based on the expected credit losses over the next 12 months. The assessments are based primarily on the age of the assets to assess the likelihood of recovery.

To minimise the credit risk the schools within the Group invoice customers in advance and have policies in place covering subsequent cash collection, which include regular review of outstanding debt. Individual school policy is either to invoice at the beginning of each term or the beginning of each month. Due to this it is deemed that the credit risk within the Group is low. There were no significant impairments of trade and other receivables during the current or prior year.

The carrying amount of financial assets and cash and cash equivalents represents the maximum credit exposure.

The maximum exposure to credit risk at 31 August 2023 and at 31 August 2022 was:

(in €000's)	**31 August 2023**	**31 August 2022**
Trade and other receivables	100,208	63,205
Cash and cash equivalents	135,741	108,733
Total	**235,949**	**171,938**

Trade and other receivables

The following table is an analysis of the Group's trade and other receivables allowance provision by geographical market in 2023 and 2022 respectively:

(in €000's)	**Europe**	**Americas**	**Middle East**	**Asia**	**Other**	**Total**
Year ended 31 August 2023	2,278	5,885	1,578	568	1,500	**11,809**
Year ended 31 August 2022	517	2,869	264	617	4,000	**8,267**

Please refer to note 19.1 for the details of the Group's approach to IFRS 9 and expected credit losses.

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk (continued)

There are no significant other receivables past due at the current or prior year end. No further disclosure is required on the location of the receivables or the nature of the receivables, as all the receivables are of the same nature and the directors do not believe that the location of the receivables has a significant impact on the credit risk, due to the similar nature of the controls apparent at the schools to mitigate the risk.

The movement in the allowance provision in respect of trade and other receivables during the year was as follows:

(in €000's)	2023	2022
At 1 September	8,267	4,652
Acquisition of subsidiaries	2,617	954
Impairment loss recognised	1,667	2,466
Amounts written off	(400)	(220)
Exchange differences	(342)	415
At 31 August	**11,809**	**8,267**

The allowance provision for trade and other receivables is used to record impairment losses. The Group performs quarterly debtor reviews at which time, if the Group is satisfied that no recovery of the amount owing is possible, the amounts considered irrecoverable are written off against the trade receivable directly.

Cash and cash equivalents

Credit risk with respect to balances at bank is limited because the counter parties are reputable banks, therefore expected credit losses are expected to be minimal.

(e) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate cash balances and banking facilities, loans granted by the shareholders, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group also performs regular cash forecasting at the subsidiary level along with the funding required for central and local cost centres. Funding for new transactions, including due diligence and other pre-transaction costs, is assessed and drawn down on a case by case basis.

The cash position at 31 August 2023 remains strong at €135,741,000 (2022: €108,733,000) and we continue to monitor cash collections to identify any deviations from historical trends.

The Group has loans and borrowings with third parties that mature in 2028. The total available facilities and the amounts drawn at 31 August 2023 are disclosed in note 20.

The Group has a strong working capital position as cash payments for tuition services are typically received in advance on an annual or term basis. Trade payables are settled on the basis of credit terms agreed with the respective suppliers.

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(e) Liquidity risk (continued)

The following are the contractual maturities of financial assets and liabilities as at 31 August 2023. The amounts are gross and undiscounted, include estimated contractual interest payments and exclude the effect of netting agreements:

(in €000's)	Carrying amount	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Assets						
Trade and other receivables	100,342	77,303	-	-	-	23,039
Cash and cash equivalents	135,741	135,741	-	-	-	-
Derivatives	33,711	-	-	33,711	-	-
Total assets	**269,794**	**213,044**	-	**33,711**	-	**23,039**

(in €000's)	Carrying amount	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities						
Loans and borrowings	1,322,794	26,741	5,615	9,406	1,278,375	2,657
Derivatives	1,805	-	-	1,805	-	-
Lease liabilities	707,179	87	11,071	13,225	48,938	633,858
Contingent and deferred consideration	77,348	4,791	26,051	2,663	24,582	19,261
Trade and other payables	132,215	132,215	-	-	-	-
Total liabilities	**2,241,341**	**163,834**	**42,737**	**27,099**	**1,351,895**	**655,776**

The following are the contractual maturities of financial assets and liabilities as at 31 August 2022. The amounts are gross and undiscounted, include estimated contractual interest payments and exclude the effect of netting agreements:

(in €000's)	Carrying amount	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Assets						
Trade and other receivables	63,205	63,205	-	-	-	-
Cash and cash equivalents	108,733	108,733	-	-	-	-
Derivatives	29,323	-	1,410	-	27,913	-
Total assets	**201,261**	**171,938**	**1,410**	-	**27,913**	-

(in €000's)	Carrying amount	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities						
Loans and borrowings	864,958	6,476	3,162	54,248	8,077	792,995
Lease liabilities	398,145	85	10,335	12,209	41,039	334,477
Contingent and deferred consideration	16,719	8,029	1,446	1,945	2,990	2,309
Trade and other payables	74,590	74,590	-	-	-	-
Total liabilities	**1,354,412**	**89,180**	**14,943**	**68,402**	**52,106**	**1,129,781**

Notes to the consolidated financial statements (continued)

NOTE 5 – FINANCIAL RISK MANAGEMENT (continued)

(f) Capital management

Risk management is carried out by the board of directors. The Group's objective when managing capital is to safeguard its ability to continue as a going concern to provide returns to the shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital, issue new shares or sell assets to reduce debt. The capital, as defined and managed by the Group, consists of the amounts of equity as presented in the consolidated statement of changes in equity.

NOTE 6 – REVENUE

In the following tables, revenue is disaggregated by primary geographical market and major service lines.

Year ended 31 August 2023	Europe	Americas	Middle East	Asia	Total
Revenue (in €000's)	135,156	258,665	89,763	62,528	546,112

Year ended 31 August 2022	Europe	Americas	Middle East	Asia	Total
Revenue (in €000's)	109,348	171,246	77,552	45,993	404,139

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Tuition income	429,004	320,178
Enrolment fee income	44,249	37,756
Other Income	72,859	46,205
Total	**546,112**	**404,139**

Tuition income has been disaggregated to report enrolment fee income separate from tuition income.

The Group's IFRS 15 contract liabilities are as follows:

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Balance at 1 September	139,646	80,637
New contract liabilities	493,307	379,187
Amounts recognised as revenue in year	(429,004)	(320,178)
	203,949	**139,646**

The Group's non-current IFRS 15 contract liabilities are not material to disclose for the current or previous year. No contractual assets are apparent in the current or previous year.

Notes to the consolidated financial statements (continued)

NOTE 7 – BREAKDOWN OF COSTS OF SALES AND OTHER COSTS

Loss for the year has been arrived at after charging:

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Costs of providing services and other costs		
Staff costs (admin)	102,628	75,944
Staff costs (teaching)	168,102	131,576
Amortisation (note 13)	30,370	26,092
Depreciation (note 14)	59,633	44,886
Impairment of goodwill (note 13)	25,152	-
Impairment of property, plant and equipment (note 14)	479	-
Legal and professional fees	8,389	4,911
Audit and assurance fees (note 8)	1,656	1,018
General expenses	141,781	92,168
Other costs	7,779	14,934
	545,969	391,529

Other costs are mainly related to costs associated with acquiring subsidiaries and costs required to bring the acquired subsidiaries to the standard expected in the year.

General expenses include costs associated with short term and low value leases, as disclosed in note 20.

The staffing costs included the following charges:

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Staff costs		
Wages and salaries	241,896	184,940
Social security costs	27,033	21,908
Expenses related to defined contribution plans	801	672
Share-based payments (note 26)	1,000	-
	270,730	207,520

The average number of total staff in the year was 10,235 (2022: 7,439) split out by admin staff, including salaried directors, of 3,546 (2022: 2,481) and teaching staff 6,689 (2022: 4,958).

In the prior year the share-based payment charge was recognised within interest expenses.

NOTE 8 – AUDIT AND PROFESSIONAL FEES FOR SERVICES PROVIDED BY KPMG

Audit and other professional fees for services provided by KPMG member firms of the network are noted in the table below:

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Audit fees for these financial statements	1,127	570
Audit fees for subsidiaries of the Company	433	434
Audit related assurance services	21	12
Tax services	75	2
Other assurance services	-	-
	1,656	**1,018**

Notes to the consolidated financial statements (continued)

NOTE 9 – FINANCE COSTS – NET

	Year ended 31 August 2023	Year ended 31 August 2022
(in €000's)		
Hedging income	9,419	-
Bank interest income	3,304	100
Finance income	**12,723**	**100**
Foreign exchange (loss) gain – net	(18,688)	37,932
(Loss) gain on derivative instruments at fair value through profit or loss	(2,868)	3,253
Bank interest expense and charges	(9,996)	(9,497)
Interest expense – Bank loans	(90,948)	(50,881)
Interest expense – Lease liabilities	(33,622)	(23,552)
Interest expense – Other	-	(268)
Other finance costs	(11,573)	(11,512)
Finance costs	**(167,695)**	**(54,525)**
Net finance costs	**(154,972)**	**(54,425)**

The net gain (loss) on derivative instruments at fair value through profit or loss relates to interest rate caps and interest rate swaps that did not qualify for hedge accounting.

Notes to the consolidated financial statements (continued)

NOTE 10 – INCOME TAX EXPENSE

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Consolidated profit or loss		
Income tax expense in respect of the current period	(15,129)	(15,959)
Income tax expense in respect of the prior period	(1,957)	(1,972)
Deferred tax credit in respect of the current period	14,775	8,740
Deferred tax (expense) / credit in respect of the prior period	(453)	974
Total tax charge reported in the statement of profit or loss	**(2,764)**	**(8,217)**
Consolidated other comprehensive income		
Net gain on cash flow hedges	(4,821)	(4,990)
Net change in costs of hedging	2,114	363
Deferred tax charged to other comprehensive income	**(2,707)**	**(4,627)**
Reconciliation of effective tax rate		
Loss before tax for the year from continuing operations	154,829	41,815
Loss before tax from a discontinued operation	1,948	7,401
Loss before tax	**156,777**	**49,216**
Tax calculated at domestic tax rate of 21.5% (2022: 19%)*	33,707	9,351
Effect of different tax rates on profits / losses in countries in which the Group operates	(8,660)	(6,560)
Tax effect of:		
Expenses not deductible for tax purposes	(8,138)	(7,575)
Utilisation of previously unrecognised tax losses	14	6,343
Tax losses for which no deferred tax asset was recognised**	(10,272)	-
Corporate interest restriction for which no deferred tax asset was recognised**	(10,048)	-
Prior period differences	(2,411)	(999)
Other differences	3,044	(8,777)
Tax charge	**(2,764)**	**(8,217)**
Income tax charge reported in the statement of profit or loss	(2,764)	(8,217)
Income tax attributable to a discontinued operation	-	-

* Applicable tax rate in United Kingdom.

** No deferred tax asset has been recognised in some CGU's due to uncertainty in recoverability of this asset. The Group's policy is to recognise a deferred tax asset for tax losses only to the extent that it is probable that future profits will be available against which the asset can be utilised. Refer to note 11 for further details.

An increase in the UK corporation rate from 19% to 25% was effective from 1 April 2023. This increases the Company's future current tax charge accordingly. The UK deferred tax assets and liabilities at 31 August 2023 have been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2022: 19%).

Notes to the consolidated financial statements (continued)

NOTE 11 – DEFERRED TAXES

(in €000's)	31 August 2023	31 August 2022
Deferred tax liability	(72,880)	(61,631)
Deferred tax asset	14,323	34,754
Total	(58,557)	(26,877)
Current	-	-
Non-current	(58,557)	(26,877)

Movement in deferred tax is as follows:

	1 September 2022 €000's	Recognised in statement of profit or loss €000's	Recognised in other comprehensive income €000's	Acquired in business combinations €000's	Exchange differences €000's	31 August 2023 €000's
Intangible assets	(50,935)	2,382	-	(26,283)	3,886	(70,950)
Cash flow hedges	(4,627)	-	(2,707)	-	-	(7,334)
Right-of-use assets	(42,880)	(17,177)	-	(79,624)	-	(139,681)
Lease liabilities	49,554	22,726	-	57,967	-	130,247
Tax losses carried forward	13,070	(62)		-	-	13,008
Other	8,941	6,453	-	(756)	1,515	16,153
	(26,877)	**14,322**	**(2,707)**	**(48,696)**	**5,401**	**(58,557)**

	1 September 2021 €000's	Recognised in statement of profit or loss €000's	Recognised in other comprehensive income €000's	Acquired in business combinations €000's	Exchange differences €000's	31 August 2022 €000's
Intangible assets	(48,774)	1,692	-	(2,139)	(1,714)	(50,935)
Cash flow hedges	-	-	(4,627)	-	-	(4,627)
Finance leases, net	4,990	1,684	-	-	-	6,674
Tax losses carried forward	7,170	5,900	-	-	-	13,070
Other	8,902	438	-	-	(399)	8,941
	(27,712)	**9,714**	**(4,627)**	**(2,139)**	**(2,113)**	**(26,877)**

Notes to the consolidated financial statements (continued)

NOTE 11 – DEFERRED TAXES (continued)

The Group has a deferred tax liability of €70,950,000 (2022: €50,935,000) arising from student registries, brands and fair value uplifts on acquired tangible assets. €7,334,000 million (2022: €4,627,000) arising from cash flow hedges, and €139,681,000 (2022: €42,880,000) in respect to right-of-use assets. The Group has recognised deferred tax assets of €13,247,000 (2022: €49,554,000) in respect of lease liabilities. €13,008,000 (2022: €13,070,000) in respect of losses and €16,153,000 (2022: €8,941,000) in respect of other temporary timing differences.

The deferred tax has been calculated using the prevailing tax rate in the jurisdictions where the underlying transaction has occurred and the rate at which the asset or liability is expected to settle.

The Group has €120,194,000 (2022: €83,874,000) of unrecognised tax losses carried forward. These assets relate to subsidiaries that have a history of losses, which do not expire, and may not be used to offset taxable income elsewhere in the Group. The Group also has €75,187,000 (2022: €28,451,000) of unrecognised losses in relation to UK corporate interest restrictions. If the Group were able to recognise all unrecognised losses, additional deferred tax assets totalling €46,913,000 (2022: €26,593,000) would be recognised, comprising of €28,116,000 (2022: €19,480,000) in relation to unrecognised tax losses and €18,797,000 million (2022: €7,113,000) in relation to UK corporate interest restrictions.

NOTE 12 – DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

In April 2022, the Group announced the closure of Baton Rouge International School and operations ceased in May 2022. The disposal was effected in order to generate cash flows for the expansions of the Group's other businesses. The related assets and liabilities were classified as held for sale at 31 August 2022. As at 31 August 2023, the property from which Baton Rouge International School operated continued to be listed for sale and classified as a non-current asset held for sale in the statement of financial position. The results included in the loss for the year relate to costs incurred to maintain the property as it awaited sale. Subsequent to year end, the asset was sold to a third party, refer to note 30.

The results of the discontinued operations, which have been included in the loss for the year, were as follows:

	Year ended 31 August 2023	Year ended 31 August 2022
(in €000's)		
Revenue	-	3,040
Expenses	(148)	(5,743)
Operating loss	(148)	(2,703)
Finance costs	(5)	(23)
Impairment loss recognised on the remeasurement to fair value less costs to sell	(1,795)	(4,675)
Loss before tax from discontinued operations	(1,948)	(7,401)
Tax expense:		
Related to pre-tax loss from ordinary activities for the period	-	-
Related to impairment losses	-	-
Loss for the year from discontinued operations, net of tax	**(1,948)**	**(7,401)**

The carrying value of the property as at year end was assessed at lower than fair value less costs to sell and an additional impairment loss of €1,795,000 (2022: €990,000) was recognised in discontinued operations in the statement of comprehensive (loss) / income. An impairment loss of €3,685,000 was recognised in 2022, being the difference between the carrying value of the associated goodwill and its recoverable amount. Refer to note 13.

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL

Cost	Goodwill €000's	Student registry €000's	Brand €000's	Software €000's	Other intangible assets €000's	Total €000's
At 1 September 2021	360,901	168,225	-	-	-	529,126
Acquisition of subsidiaries	118,540	36,354	-	-	-	154,894
Additions	-	-	-	6,181	-	6,181
Reclassification from property, plant and equipment (note 14)***	-	-	-	12,798	-	12,798
Exchange difference	52,334	25,429	-	(39)	-	77,724
At 31 August 2022	531,775	230,008	-	18,940	-	780,723
Finalisation of prior acquisitions**	798	-	-	-	-	798
At 1 September 2022	532,573	230,008	-	18,940	-	781,521
Acquisition of subsidiaries*	294,265	72,090	22,442	15	-	388,812
Additions	-	-	-	5,080	536	5,616
Disposals	-	-	-	(114)	-	(114)
Reclassification from property, plant and equipment (note 14)***	-	-	-	3,261	-	3,261
Reclassification for incorrect classification of licences****	-	(8,888)	-	-	8,888	-
Exchange difference	(33,720)	(6,886)	(263)	16	(697)	(41,550)
At 31 August 2023	793,118	286,324	22,179	27,198	8,727	1,137,546
Amortisation and impairment						
At 1 September 2021	-	(49,792)	-	-	-	(49,792)
Charge for the year	-	(21,295)	-	(4,797)	-	(26,092)
Impairment	(3,685)	-	-	-	-	(3,685)
Reclassification from property, plant and equipment (note 14)***	-	-	-	(3,650)	-	(3,650)
Exchange difference	371	(7,299)	-	23	-	(6,905)
At 31 August 2022	(3,314)	(78,386)	-	(8,424)	-	(90,124)
Charge for the year	-	(23,842)	(315)	(5,366)	(847)	(30,370)
Amortisation on disposals	-	-	-	12	-	12
Impairment	(25,152)	-	-	-	-	(25,152)
Reclassification from property, plant and equipment (note 14)***	-	-	-	(1,655)	-	(1,655)
Reclassification for incorrect classification of licences****	-	2,238	-	-	(2,238)	-
Exchange difference	-	294	6	(50)	182	432
At 31 August 2023	(28,466)	(99,696)	(309)	(15,483)	(2,903)	(146,857)
Carrying amount						
At 31 August 2023	764,652	186,628	21,870	11,715	5,824	990,689
At 31 August 2022	528,461	151,622	-	10,516	-	690,599

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL (continued)

* The intangibles acquired in the year include the amounts included on acquisition as set out in note 29. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

** Changes to goodwill arising on the acquisitions in 2022 have been reflected in the current period financial statements. Prior year comparatives have not been changed as the directors do not consider the effect on the prior period financial statements to be material.

***IT software, with a net book value of €1,606,000 at 31 August 2022 (€9,148,000 at 31 August 2021), was reclassified from furniture and fixtures in property, plant and equipment to intangible assets to better reflect the nature of the underlying assets.

****Costs and related accumulated amortisation associated with licences have been reclassified from student registry (previously reported as Acquired intangible assets) to other intangible assets during the year to better reflect the underlying nature of the asset. No changes were required to the expected useful life of the asset. The prior year comparatives have not been reclassified as the impact to Group intangible assets and net assets was deemed immaterial to restate.

Individually material intangible assets with definite useful lives

Student registry	Carrying amount 2023 €000's	Average remaining amortisation period 2023 Years	Carrying amount 2022 €000's	Average remaining amortisation period 2022 Years
Tomás Alva Edison School	11,825	5	12,910	6
St George's School (Peru)	17,422	6	21,872	7
Riviera Preparatory and Day Schools	15,856	8	19,318	9
Fairmont Schools	12,380	7	-	-
St. George Madrid	14,476	12	-	-

Goodwill

The grouping of CGUs for the purpose of impairment testing of goodwill are listed below.

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Carrying amount		
Al Nibras International Private School LLC	29,454	32,080
Asia Pacific Schools	34,165	38,485
Bellevue Children's Academy	14,540	15,763
British Education Management, S.L.	26,878	26,878
Claremont School (St Leonard's) Limited	-	25,545
Colegios Pedro De Valdivia	18,658	19,349
Instituto Thomas Jefferson	14,912	13,446

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL (continued)

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Carrying amount		
Kehoe-France	4,998	5,419
La Colina School	4,102	4,177
Liceo Panamericano, Colegio La Moderna	21,575	23,391
Montessori Academy of Broward	5,899	6,396
Park House English School	16,593	17,871
Reach British School LLC	2,565	2,794
St Jude School	4,329	3,936
St George's School (Peru)	28,378	30,767
Tenby Schools	41,220	46,433
Tomás Alva Edison School	20,555	18,535
Rowntree Montessori Schools	8,004	8,988
Lynn-Rose School	2,370	2,661
Mile Bilingual School	11,210	11,210
British School of Geneva	16,870	16,583
British Royal School	23,368	24,234
Riviera Preparatory and Day Schools	83,126	89,047
Straits International Education Group	8,177	8,935
Ecole Mosaic	9,843	9,556
Colegio Terranova	10,082	10,668
St. Mary's School	13,578	15,314
Star International School	-	-
Boston School International	17,631	-
Leonardo da Vinci Scuola Paritaria	19,243	-
Manthan International School	22,853	-
British School of Wilanow	16,573	-
Alexandria International School	5,205	-
Fairmont Schools	76,652	-
The English College Dubai	16,896	-
Berda Claude International School of Phuket (BCIS)	16,843	-
St. George Madrid	44,189	-
Aubrick	25,454	-
Bangkok International Preparatory and Secondary School	27,664	-
	764,652	**528,461**

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL (continued)

Goodwill on acquisition of subsidiaries in the year ended 31 August 2023 was allocated as per the below table (see note 29).

	€000's
Boston School International	19.582
Leonardo da Vinci Scuola Paritaria	19.243
Manthan International School	23.767
British School of Wilanow	15.910
Alexandria International School	5.205
Fairmont Schools	77.386
The English College Dubai	16.786
Berda Claude International School of Phuket (BCIS)	17.220
St. George Madrid	44.189
Aubrick	26.672
Bangkok International Preparatory and Secondary School	28,305
Total	**294,265**

Goodwill on acquisition of subsidiaries in the year ended 31 August 2022 was allocated as per the below table. See note 29 for calculations of goodwill per acquisition.

	€000's
Ecole Mosaic	8,785
Riviera Preparatory and Day Schools	77,436
Straits International Education Group	8,680
St. Mary's School	14,421
Colegio Terranova	10.016
Star International School	-
Total	**119,338**

Impairment review

The recoverable amount of goodwill is assessed on an annual basis for impairment. The recoverable amount of the CGUs is based on the higher of fair value less cost of disposal ("FVLCD") and value in use ("VIU"). Management's initial assessment is based on a FVLCD test, with the key assumptions being linked to estimating the multiples applied and forecasting the EBITDA appropriately at the CGU level. If this initial assessment gives rise to a potential impairment, management then perform a detailed VIU assessment to determine the recoverable amount.

FVLCD is determined by multiplying the budgeted normalised EBITDA for the following financial year, by a multiple, based on the market expectation of multiples applied in the education industry. The multiple is adjusted for several factors relevant to each CGU, primarily location. The directors have elected not to disclose the multiples used, as disclosure would be prejudicial to the interests of the entity. The valuation is considered to be level 3 in the fair value hierarchy, due to use of the EBITDA multiple, which is an unobservable input, in the valuation. Budgeted normalised EBITDA for FY24 was forecasted from the balance sheet date, as approved by the board, and adjusted, where appropriate, to reflect market participant's assumptions.

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL (continued)

Impairment review (continued)

The estimated recoverable amount of the CGU's exceeded the carrying amount by approximately €1,204.2 million (2022: €1,277.1 million). Management has identified that no reasonable possible change in the exit multiple could cause the total carrying amount to exceed the total recoverable amount. The following table shows the amount by which the exit multiple assumption would need to change collectively for the estimate recoverable amount to be equal to the carrying amount.

	2023	2022
Change in exit multiple	47%	66%

Value-in-Use

Where the excess of the recoverable amount over the carrying amount fell below management's threshold, a VIU was prepared. Management calculated this threshold as 50% of average goodwill acquired on acquisition. This threshold was deemed to signify there was no indicators of impairment and no further assessment required. A VIU assessment was performed for nine CGU's as a result. Acquisitions that occurred within financial year ended 31 August 2023 were also considered for impairment. The acquisitions of St. George Madrid and Manthan International School were highlighted as requiring further analysis after performing the FVLCD assessment. Management performed a review of the CGU's performance post acquisition against the investment case Completed at the time of the acquisition. Both CGU's have demonstrated that they are meeting or exceeding expected performance. Therefore, we are satisfied that the goodwill does not require impairment for these acquisitions.

The value-in-use model incorporated the following key assumptions:

Key Assumption	Management Rationale
Revenue growth – Driver: fee increases	Unless restricted by regulatory guidelines, internal forecasts incorporated within the value in use calculations assume annual fee increases over the relevant DCF period appropriate to the markets in which we operate. Fee increases for all CGUs are based on inflation, adjusted for circumstances specific to that CGU, and in line with historical growth.
Revenue growth – Driver: pupil numbers	Pupil numbers are determined based on past performance and market trends where relevant, specific to the market in which the CGU operates.
Revenue growth – Driver: additional capacity	Expansion projects were not considered within the value in use calculations, unless they were considered to have substantially commenced. No such projects existed at the time the assessment was performed.
Cost base	Future costs within the forecast period have been determined based on previous spend observed, whilst incorporating future expected inflationary increases and the incremental costs associated with an increase in organic growth and any other known cost.
Terminal growth rate	Terminal growth rates have been estimated using a combination of macroeconomic indicators within the region the CGU operates in. Inflation, both current and forecasted, along with growth in Gross Domestic Product ("GDP") were considered. The weighting of these factors was adjusted where relevant, specific to the region the CGU operates in.
Forecast period	The VIU models have been performed over a five-year forecast period and a terminal growth value thereafter.
Discount rates	Based on the estimated post-tax weighted average cost of capital, specific to each geographical region and inclusive of the Group's cost of debt.

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL (continued)

The average of the above assumptions over the five-year forecast period are as below for each VIU performed:

Cash Generating Unit	Cost inflation	Terminal growth rate	Discount rates
Reach British School LLC	2.0%	3.4%	8.9%
Colegios Pedro De Valdivia	3.2%	5.0%	14.3%
Al Nibras International Private School LLC	2.0%	3.4%	8.9%
Lynn-Rose School	4.2%	3.6%	14.5%
Claremont School (St Leonard's) Limited	2.0%	2.9%	12.5%
Asia Pacific Schools	3.4%	4.0%	11.2%
Ecole Mosaic	2.0%	2.0%	9.1%
Straits International Education Group	3.4%	4.0%	11.2%
Star International School	2.0%	3.4%	8.9%

The results of the impairment assessment are as below, with recoverable amount being the higher of FVLCD and VIU.

Cash Generating Unit	Carrying amount	Recoverable amount	Goodwill impairment recognised
Reach British School LLC	33,918	39,492	-
Colegios Pedro De Valdivia	69,325	108,577	-
Al Nibras International Private School LLC	35,358	50,814	-
Lynn-Rose School	14,684	21,416	-
Claremont School (St Leonard's) Limited	38,923	13,771	(25,152)
Asia Pacific Schools	49,007	57,098	-
Ecole Mosaic	10,648	29,119	-
Straits International Education Group	4,695	37,791	-
Star International School	41,558	97,933	-

Notes to the consolidated financial statements (continued)

NOTE 13 – INTANGIBLE ASSETS AND GOODWILL (continued)

Sensitivity Analysis

The Group has conducted a sensitivity analysis on the impairment assessment of each CGU's recoverable amount, as the assessments are sensitive to changes in underlying forecast cashflows. The following assumptions were sensitised, with all other assumptions held constant:

- an increase of 1% in post-tax discount rate utilised in the DCF;
- a 10% relative decrease in terminal growth rate; and
- a 5% relative decrease in EBIT.

This would result in an impairment charge to the relevant CGUs as follows:

	1% increase in discount rate	10% relative decrease in terminal growth	5% relative decrease in EBIT
	€'000	€'000	€'000
Reach British School LLC	3,281	-	-
Colegios Pedro De Valdivia	-	-	-
Al Nibras International Private School LLC	-	-	-
Lynn-Rose School	-	-	400
Claremont School (St Leonard's) Limited	22,075	20,023	20,516
Asia Pacific Schools	-	-	-
Ecole Mosaic	-	-	-
Straits International Education Group	-	-	-
Star International School	-	-	-

Impairment loss

Claremont School (St Leonard's) Limited

Since acquisition, Claremont has performed poorly in recent times. Enrolment growth has fallen significantly below forecasted rates and EBITDA margin has been below forecast. This has been driven by a higher-than-expected cost base. Management is making significant efforts to improve the performance of the CGU by addressing the issues noted as part of the review and expect an improvement going forward. The performance challenges have resulted in a full write down of the goodwill balance. An impairment charge of €25,152,000 has been included in the statement of comprehensive (loss) / income for the year ended 31 August 2023.

Notes to the consolidated financial statements (continued)

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

The table below shows the movements in property, plant and equipment in the year to 31 August 2023, including additions, transfers from construction in progress ("CIP"), disposals, effect of movements in exchange rates and acquisitions.

	Land and buildings €000's	Fixtures, fittings and equipment €000's	Other assets €000's	CIP €000's	Total €000's
Cost at 1 September 2021	628,563	73,785	20,121	11,862	**734,331**
Acquisition of subsidiary	156,839	8,662	7	9	**165,517**
Additions	48,884	14,867	2,065	9,302	**75,118**
Disposals	(3,677)	(2,720)	(510)	-	**(6,907)**
Assets held for sale (note 12)	(8,446)	-	-	-	**(8,446)**
Transfer from CIP	733	576	3	(1,312)	-
Reclassification	1,377	1,866	(139)	(1,367)	**1,737**
Reclassification to intangible assets (note 13)*	-	(12,798)	-	-	**(12,798)**
Recognition of fair value adjustments on land previously written off in error	12,324	-	(12,324)	-	-
Reclassification for incorrect categorisation of a building	7,784	-	-	-	**7,784**
Exchange difference	85,847	10,857	4,319	1,580	**102,603**
Cost at 31 August 2022	930,228	95,095	13,542	20,074	**1,058,939**
Acquisition of subsidiary	417,682	7,327	234	1,115	**426,358**
Additions	111,060	20,916	2,967	31,685	**166,628**
Disposals	(12,424)	(1,375)	(395)	-	**(14,194)**
Transfer from CIP	10,711	2,092	1,185	(13,988)	-
Reclassification	7,297	4,356	(305)	(5,980)	**5,368**
Reclassification to intangible assets (note 13)*	-	(3,261)	-	-	**(3,261)**
Right-of-use lease modifications	(5,979)	-	-	-	**(5,979)**
Recognition of correction to right-of-use lease calculations under IFRS 16**	(7,040)	-	-	-	**(7,040)**
Exchange difference	(54,938)	(6,139)	(1,357)	(1,101)	**(63,535)**
Cost at 31 August 2023	1,396,597	119,011	15,871	31,805	**1,563,284**
Depreciation at 1 September 2021	(104,624)	(33,480)	(3,533)	-	**(141,637)**
Depreciation charge	(30,482)	(12,988)	(1,416)	-	**(44,886)**
Disposals	2,820	1,932	334	-	**5,086**
Assets held for sale (note 12)	1,518	-	-	-	**1,518**
Reclassification	(714)	(696)	(327)	-	**(1,737)**
Reclassification to intangible assets (note 13)*	-	3,650	-	-	**3,650**
Reclassification for incorrect categorisation of a building	(843)	-	843	-	-
Reversal of excess depreciation on a leased building	4,912	-	-	-	**4,912**
Exchange differences	(16,404)	(6,533)	(2,278)	-	**(25,215)**
Depreciation at 31 August 2022	(143,817)	(48,115)	(6,377)	-	**(198,309)**
Depreciation charge	(39,881)	(16,476)	(3,276)	-	**(59,633)**
Impairment charge	-	(40)	(73)	(366)	**(479)**
Disposals	10,393	1,093	99	-	**11,585**
Reclassification	(1,698)	(4,313)	643	-	**(5,368)**
Reclassification to intangible assets (note 13)*	-	1,655	-	-	**1,655**
Right-of-use lease modifications	12,607	-	-	-	**12,607**
Recognition of correction to right-of-use lease calculations under IFRS 16**	1,836	-	-	-	**1,836**
Exchange differences	8,184	3,688	1,000	10	**12,882**
Depreciation at 31 August 2023	(152,376)	(62,508)	(7,984)	(356)	**(223,224)**
NBV at 1 September 2021	523,939	40,305	16,588	11,862	**592,694**
NBV at 31 August 2022	786,411	46,980	7,165	20,074	**860,630**
NBV at 31 August 2023	1,244,221	56,503	7,887	31,449	**1,340,060**

Notes to the consolidated financial statements (continued)

NOTE 14 – PROPERTY, PLANT AND EQUIPMENT

Right-of-use assets
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

	Land and buildings	Fixtures, fittings and equipment	Total
	€000's	**€000's**	**€000's**
Net book value at 1 September 2021	**211,207**	**240**	**211,447**
Acquisitions	90,126	-	90,126
Additions	31,756	417	32,173
Depreciation charge	(18,704)	(200)	(18,904)
Reversal of excess depreciation on a leased building***	4,912	-	4,912
Exchange differences	28,751	53	28,804
Net book value at 31 August 2022	**348,048**	**510**	**348,558**
Acquisitions	315,782	-	315,782
Additions	99,241	541	99,782
Depreciation charge	(25,567)	(248)	(25,815)
Right-of-use lease modifications	6,627	-	6,627
Recognition of correction to right-of-use lease calculations under IFRS 16**	(5,203)	-	(5,203)
Exchange differences	(26,320)	(24)	(26,344)
Net book value at 31 August 2023	**712,608**	**779**	**713,387**

*Costs and related accumulated amortisation of IT software have been reclassified from furniture and fixtures in property, plant and equipment to intangible assets during the year to better reflect the underlying nature of the assets. The prior year comparatives have not been reclassified as the impact to Group property, plant and equipment, intangible assets and net assets was deemed immaterial to restate.

**Right-of-use lease calculations prepared in a prior period, in accordance with IFRS 16, have been adjusted in the year ended 31 August 2023 to correct the timing of contractual payments and include renewal periods not previously considered. An adjustment of €2,867,000 was made to decrease the right-of-use land and building asset net book value, cost was reduced by €7,040,000 and accumulated depreciation reduced by €4,172,000, of which €2,336,000 is included in right-of-use depreciation charge for the current year. The related lease liability was increased by €9,175,000, of which €505,000 is included in finance costs, refer to note 20. An adjustment of €14,883,000 is recognised in the statement of comprehensive (loss) / income as variable lease payments, giving a net effect on the current year of profit before tax of €12,042,000. The prior year comparatives have not been restated as the impact to Group property, plant and equipment and net assets is deemed immaterial to restate.

***Accumulated depreciation on a leased building was adjusted in the prior year to correct for €4,912,000 of excess depreciation taken erroneously on the asset in prior periods. This was adjusted to prior year opening retained earnings.

Notes to the consolidated financial statements (continued)

NOTE 15 – TRADE AND OTHER RECEIVABLES

(in €000's)	31 August 2023	31 August 2022
Non-current		
Amount due from related party (note 27)	-	3.231
Other receivables	8,660	5.968
Deposits	14.379	-
	23,039	**9,199**
Current		
Trade receivables	41.117	21,153
VAT receivable	961	-
Other receivables	15.996	9.925
Deposits	19.229	22,928
	77,303	**54,006**

Trade and other receivables are classified as current if the terms and conditions for payment are within the next 12 months.

See financial risk management (note 5) and financial instruments (note 19) for further information on valuation and recognition of trade receivables.

The amount receivable from related party in the prior year was due from Permotio International Learning S.à.r.l. the immediate parent company of the Group. During the year the balance was repaid and as at 31 August 2023, the related party is in a payable position, which has been reported in trade and other payables (note 22).

Other receivables do not contain any significant individual balances and the balances apparent are different in nature. The most significant balance relates to amounts owed from parties associated to a school.

Past due receivables and doubtful debts are provided for in full, with costs going through other costs.

NOTE 16 – PREPAYMENTS

(in €000's)	31 August 2023	31 August 2022
Prepayments	20.704	11,450
Prepaid consideration	27,233	-
Total	**47,937**	**11,450**

Prepaid consideration relates to the acquisition of the trade and assets of Colegio Bilingue New Horizons, which completed subsequent to year end on 31 October 2023. The full consideration was transferred during the year and held in a reserve account pending a tax ruling. Refer to note 30 for further details.

Notes to the consolidated financial statements (continued)

NOTE 17 – CASH AND CASH EQUIVALENTS

(in €000's)	31 August 2023	31 August 2022
Bank balances	135,741	108,733
Total	**135,741**	**108,733**

NOTE 18 – EQUITY

18.1 Share capital and share premium

As at 31 August 2023, the Company had issued and outstanding 1,401,941,247 Ordinary shares of €0.00001 each (2022: 1,401,941,247 Ordinary shares of €0.00001 each).

No ordinary shares were issued during the year. The Company received funds of €106,017,363 from the shareholders prior to year end for the issue of one (1) ordinary share at a nominal value of €0.00001, however the allotment of the share, and subsequent reduction of the share premium account, was completed subsequent to year end on 14 September 2023. As such, the funds received have been recognised in other reserves for the year ended 31 August 2023 and will be reclassified to the appropriate equity accounts in 2024.

During the prior year, the previously issued class A, A1, B1, B2, C, D, and E ordinary shares were subdivided so that each had a par value of €0.00001. The shares were subsequently redesignated as Ordinary shares at a par value of €0.00001 per share. Each share has full rights in the Company with respect to voting, dividends and distributions.

Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group does this through both reinvesting in the business and seeking to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Group monitors capital using an adjusted net leverage ratio which aligns with its largest external banking agreement.

	31 August 2023	31 August 2022
Allotted, called up and fully paid	**€000s**	**€000s**
Share premium	**394,477**	**394,477**
Ordinary shares	**14**	**14**

18.2 Capital contribution reserve

The reserve comprises contributions made to the Company from its shareholders, other than in exchange for the issue of equity instruments.

Notes to the consolidated financial statements (continued)

NOTE 18 – EQUITY (continued)

18.3 Other reserves

The reserve includes the following:

- recognises the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration, refer to note 26 for further details of the plan;
- recognises amounts received from the Company shareholders for issue of shares that have not yet been allotted, refer to note 18.1 above; and
- recognises preference shares that have been deemed as equity.

The disaggregation of changes of other reserve items is shown below:

	Share-based payments	Preference shares	Prepaid shares	Total other reserves
	€000's	**€000's**	**€000's**	**€000's**
Balance at 1 September 2021	-	-	-	-
Share-based payments (note 26)	1,000	-	-	1,000
Balance at 31 August 2022	**1,000**	-	-	**1,000**
Share-based payments (note 26)	1,000	-	-	1,000
Issuance of preference shares	-	211	-	211
Prepayment for issuance of shares	-	-	106,017	106,017
Balance at 31 August 2023	**2,000**	**211**	**106,017**	**108,228**

18.4 Translation reserves

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (Euro "€"), are recognised directly in other comprehensive income and accumulated in the translation reserve.

Notes to the consolidated financial statements (continued)

NOTE 18 – EQUITY (continued)

18.5 Other components of equity

The disaggregation of changes of other comprehensive income items by each type of other components of equity is shown below:

	Cash flow hedge reserve	Cost of hedging reserve	Total other components of equity
	€000's	€000's	€000's
Balance at 1 September 2021	-	-	-
Interest rate caps change in fair value	(26,264)	2,656	(23,608)
Reclassified to statement of profit or loss	-	(745)	(745)
Tax movements on reserves during the year	4,990	(363)	4,627
Balance at 31 August 2022	**(21,274)**	**1,548**	**(19,726)**
Interest rate caps change in fair value	(12,981)	9,433	(3,548)
Reclassified to statement of profit or loss	-	(1,435)	(1,435)
Tax movements on reserves during the year	4,821	(2,114)	2,707
Balance at 31 August 2023	**(29,434)**	**7,432**	**(22,002)**

18.6 Non-controlling interests

The Group's subsidiaries with non-controlling interests are as follows:
- ISP Kehoe Holdings LLC, Kehoe-France Inc., Kehoe-France Day Camp, Inc., River Forest Partners LLC, and France Family Partners LLP, which are all, directly or indirectly, owned 95%.
- St. Mary's Edumangement Services Private Limited and St. Mary's Society, which are each, directly and indirectly, owned 75%.
- Star Schools Holding Limited and Star International School LLC, which are each, directly and indirectly, owned 80%.
- SMAerocity Eduserve Private Limited, which is directly owned 75%
- Boston School SA, which is directly owned 90%
- British Primary School of Wilanow Sp.z.o.o Limited and British Nursery of Wilanow Sp.z.o.o, which are each directly owned 90%
- English College Holdings Ltd and English College Dubai LLC, which are each, directly and indirectly, owned 80%
- Núcleo Educacional Moema S/S Ltda, which is directly owned 90%
- ISP Holdings 3 Ltd, which is directly owned 49%
- ISP Holdings 2 Ltd, ISP Holdings 1 Ltd, ISP Thai Holdings Ltd, Education Holdings (Thailand) Ltd, Phuket International Education Centre Co Ltd. and Berda Claude International School of Phuket, which are each, directly and indirectly, owned 73.99%
- Systems Little House Ltd and Bangkok International Preparatory and Secondary School, which are each, directly and indirectly, owned 68.42%

The Group has not disclosed information relating to IFRS 12.10(a)(ii), 12, B10-11, as no Group subsidiaries have a material non-controlling interest. Please refer to notes 24, 29 and the appendix for further information.

Notes to the consolidated financial statements (continued)

NOTE 19 – FINANCIAL INSTRUMENTS

19.1 Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount		Fair value (level 2)	
	2023	**2022**	**2023**	**2022**
	€ 000	**€ 000**	**€ 000**	**€ 000**
Other financial assets				
Interest rate swaps	-	236	-	236
Interest rate caps not designated as a hedging instrument	-	1,174	-	1,174
Interest rate caps designated as a hedging instrument	33,711	27,913	33,711	27,913
	33,711	**29,323**	**33,711**	**29,323**

	Carrying amount		Fair value (level 3)	
	2023	**2022**	**2023**	**2022**
	€ 000	**€ 000**	**€ 000**	**€ 000**
Other financial liabilities				
Interest rate cap designated as a hedging instrument	(1,745)	-	(1,745)	-
Interest rate cap and collar designated as a hedging instrument	(60)	-	(60)	-
Contingent and deferred consideration	(77,348)	(16,719)	(77,348)	(16,719)
	(79,153)	**(16,719)**	**(79,153)**	**(16,719)**

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables and term deposits, are considered be the same as their carrying amounts largely due to the short-term nature.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which calculates a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on geographical location and other credit risk characteristics.

The expected loss rates are based on historic payment profiles and the corresponding credit losses experienced. These loss rates are adjusted and stress tested to reflect current and forward looking data on inflation, unemployment and other macroeconomic factors. The details of the trade receivable provision are disclosed in note 5(d).

The initial fair value of the liability portion of borrowings are determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liabilities are subsequently recognised on an amortised cost basis until extinguished on conversion or maturity. When calculating the fair value of the borrowings, consideration has been made to the market rate, maturity and significance of the borrowing.

The derivative contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the Euribor rates.

The contingent consideration is measured at fair value, which is based on the expected payment determined by calculating cash out flows under possible earn out scenarios and discounted using a risk-adjusted discount rate.

During the year ended 31 August 2023 and 31 August 2022, there were no reclassifications in or out of the Level 2 and Level 3 fair value categories.

Notes to the consolidated financial statements (continued)

NOTE 19 – FINANCIAL INSTRUMENTS (continued)

19.2 Derivative instruments

The Group is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is interest rate risk.

The Group's risk management strategy and how it is applied to manage risk are explained in note 5.

(in €000's)	31 August 2023	31 August 2022
Derivatives not designated as hedging instruments		
Interest rate caps	-	1,174
Interest rate swaps	-	236
Derivatives designated as hedging instruments		
Interest rate caps, net	33,711	27,913
Interest rate cap	(1,745)	-
Interest rate cap and collar	(60)	-
Total derivative instruments at fair value	**31,906**	**29,323**
Current	-	1,410
Non-current	31,906	27,913

Derivatives not designated as hedging instruments reflect the positive change in fair value of interest rate caps and swaps not designated as hedge contracts but are intended to reduce the level of interest rate risk in the bank loans.

Derivatives designated as hedging instruments reflect the positive change in fair value of interest rate caps designated as cash flow hedges to hedge highly probable movements in the interest rate on the bank loans. There were no derivatives designated as hedging instruments in the prior year.

The derivatives designated as hedging instruments are classified as cash flow hedges.

In January 2022, the Group entered into interest rate cap contracts in order to reduce the expected volatility attributable to interest rate fluctuations in the Euribor on the bank loans. During the year, the Group entered into an additional interest rate cap contract and an interest rate cap and collar contract to further reduce the interest rate risk. Hedging the interest rate volatility in Euribor is in accordance with the risk management strategy determined by management.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate caps match the terms of the expected highly probable forecast transactions. The Group has established a hedge ratio of 50 to 90% of its estimated interest rate risk exposure on the bank loans for the hedging relationship. To test the hedge effectiveness, the Group compares the critical terms matching, and if there is a deviation, compares changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Notes to the consolidated financial statements (continued)

NOTE 19 – FINANCIAL INSTRUMENTS (continued)

19.2 Derivative instruments (continued)

As at 31 August 2023, the Group is holding the following derivative instruments:

- three interest rate caps with a total nominal amount of €694.4m. The contracts have a term of 3 years and are due to mature on 23 January 2025, 26 February 2025 and 22 March 2025. The instruments protect the Group from rate increases in the Euribor above 0.5%;
- one interest rate cap with a nominal amount of €825m. The contract has an effective date of 31 March 2025, becoming effective as the above three contracts expire, and is due to mature on 31 December 2026. Instrument protects the Group from rate increases in the Euribor above 3.5%; and
- one interest rate cap and collar with a nominal amount of €200m. The contract has an effective date of 30 September 2024 and matures on 31 March 2025. The instrument effectively guarantees the Group a floating interest rate between the Euribor rates of 4.25% and 2.75%. If Euribor falls below 2.75%, the Group will be required to pay the difference in rates, however if the Euribor rises above 4.15% the Group will receive cashflows.

19.3 Hedging activities

The impact of the hedging instruments on the statement of financial position is as follows:

	Nominal amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
	€000	€000		€000
As at 31 August 2023				
Interest rate caps	694,350	33.711	Non-current financial assets	-
Interest rate cap	825,000	(1.745)	Other non-current financial liabilities	-
Interest rate cap and collar	200,000	(60)	Other non-current financial liabilities	-
As at 31 August 2022				
Interest rate caps	482,350	27.913	Non-current financial assets	-

The impact of hedged items on the statement of financial position is as follows:

	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
	€000	€000	€000	€000
As at 31 August 2023				
Bank loans	-	(29.434)	7.932	-
As at 31 August 2022				
Bank loans	-	(21.274)	1.548	-

Notes to the consolidated financial statements (continued)

NOTE 19 – FINANCIAL INSTRUMENTS (continued)

19.3 Hedging activities (continued)

The impact of the cash flow hedge in the statement of profit or loss and other comprehensive income ("OCI") is as follows:

	Total hedging gain recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
	€000	€000	€000	€000	
Year ended 31 August 2023					
Interest rate caps	(12.981)	-	8,929	(1,435)	Finance cost
Interest rate cap and collar	-	-	504	-	Finance cost
Year ended 31 August 2022					
Interest rate caps	(26.264)	-	2,656	(745)	Finance cost

19.4 Contingent and deferred consideration

	Contingent consideration	Deferred consideration	Total
	€000's	€000's	€000's
At 1 September 2021	**2,232**	**7,620**	**9,852**
Acquisitions (note 29)	4,155	5.276	9.431
Payments	(1,065)	(1,988)	(3,053)
Release to the statement of comprehensive (loss) / income	(1.167)	-	(1.167)
Exchange differences	98	1.558	1,656
At 31 August 2022	**4,253**	**12,466**	**16,719**
Acquisitions (note 29)	50,673	21,715	72,388
Additions	3.679	-	3,679
Payments	-	(11.170)	(11,170)
Release to the statement of comprehensive (loss) / income	(3.531)	415	(3,116)
Exchange differences	(840)	(312)	(1,152)
At 31 August 2023	**54,234**	**23,114**	**77,348**
Current	18,900	11,943	30,843
Non-current	35.334	11,171	46.505

Refer to note 29 for details on the nature of the arrangements and fair value measurement of the consideration related to the acquisitions.

The provision for the contingent consideration on St. Mary's School was trued up by €3.679,000 during the year to reflect the final EBITDA underlying the contingent consideration calculation. A portion of the Star International School provision of €3,531,000 was released due to post-acquisition updates. The net impact was recognised in the statement of comprehensive (loss) / income for the year.

Notes to the consolidated financial statements (continued)

NOTE 20 – LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are carried at amortised cost. Refer to note 5 for information about the Group's exposure to interest rate and foreign currency risk.

(in €000's)	31 August 2023	31 August 2022
Non-current loans and borrowings		
Bank loans	1,271,720	821,500
Borrowing costs	(18,816)	(16,686)
Lease liabilities	696,021	387,726
Other loans	18,719	33,819
	1,967,644	**1,226,359**
Current loans and borrowings		
Bank loans	12,509	5,539
Borrowing costs	(9,327)	(6,991)
Lease liabilities	11,158	10,419
Other loans	11,359	4,100
Related party loan (note 27)	8,488	-
	34,187	**13,067**
Total loans and borrowings	**2,001,831**	**1,239,426**

Terms and repayment schedule

The amounts below include principal and accrued interest.

(in €000's)	Currency	Interest rate	Maturity	31 August 2023	31 August 2022
Debt facility	Euro	Euribor+5.75%	July 2028	1,203,321	776,985
Revolving credit facility	Euro	Euribor+ 2.75%-3.50%	January 2028	80,908	50,054
Borrowing costs	Euro	n/a	July 2028	(28,143)	(23,677)
Lease liabilities	Varies	Varies	Varies	707,179	398,145
Other loans	Varies	Varies	Varies	30,078	37,919
Related party loan (note 27)	Baht	6.00%	On demand	8,488	-
Total loans and borrowings				**2,001,831**	**1,239,426**

Notes to the consolidated financial statements (continued)

NOTE 20 – LOANS AND BORROWINGS (continued)

During the year, the Group increased its debt facility for new acquisitions and working capital purposes by €670,000,000 and €75,000,000 respectively. The new debt facility has an interest rate of 6.50% + Euribor and matures 6 July 2028. The new revolving credit facility has an interest rate of 3.50% plus Euribor and matures on 6 January 2028. Both facilities can be drawn on in either the Euro or US currency. Nothing was drawn in year.

As at 31 August 2023, the Group had a total available debt facility of €1,870,000,000 (2022: €1,200,000,000), of which €1,190,400,000 (2022: €771,500,000) was drawn. In addition, the Group had a total available revolving credit facility of €125,000,000 (2022: €50,000,000), of which €80,000,000 (2022: €50,000,000) was drawn. The amounts drawn refer to the principal amount of the debt and do not include related accrued interest.

Loans and borrowings include capitalised deal fees of €28,143,000 (2022: €23,677,000), including €11,457,000 of deal fees incurred during the year in relation to refinancing. The fees are being amortised over a period in line with the maturity of the term loan and acquisition facility (5 years).

Other loans relate to loans held by subsidiaries across the Group, mainly in Spain, Italy and Thailand (2022: Spain and United States), which have varying interest and repayment periods. During the year, in addition to regular principal repayments, a bank loan of €20,000,000 in the United States was repaid in full. Two new loans, totalling €15,700,000, were assumed in the acquisitions of Leonardo da Vinci Scuola Paritaria and Bangkok International Preparatory and Secondary School, refer to note 29.

If the Group exceeded its leverage covenant (11.75:1 maximum permitted as at 31 August 2023) and is not cured (if capable of being cured) within 20 business days of the delivery of the compliance certificate, the term loan and acquisition facility would become repayable on demand. The Group did not exceed this leverage covenant as at 31 August 2023 and does not expect to over the going concern period, see note 1.

The shares of ISP Chile Limited, ISP Colombia Limited, ISP Costa Rica Limited, ISP Ecuador Limited, ISP India Limited, ISP Malaysia Limited, ISP North America Limited, ISP Peru Limited, ISP Vietnam Limited, PIL Europe Holdings Limited, PIL Mexico Holdings 1 Limited, PIL Mexico Holdings 2 Limited, PIL Middle East Holdings Limited, and PIL UK Holdings 1 Limited have been pledged as security for the loan.

Leases as a lessee

The Group recognises right-of-use assets and lease liabilities on the balance sheet in line with IFRS 16.

Right-of-use assets
Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 14).

The Group leases school buildings. Leases typically run for a period of up to 25 years, though the longest unexpired lease term is 170 years. The maturity of the lease liabilities is disclosed in note 5.

Included in the statement of comprehensive (loss) / income:

(in €000's)	Year ended 31 August 2023	Year ended 31 August 2022
Interest expense on lease liabilities	33,622	23,552
Expenses related to short-term and low value leases	5,882	4,050
Expenses related to variable lease payments not included in the measurement of lease liabilities	2,062	-
Total	**41,566**	**27,602**

Notes to the consolidated financial statements (continued)

NOTE 20 – LOANS AND BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

(in €000's)	Bank loans and borrowings	Lease liabilities	Derivative financial asset	Derivative financial liability	Total
Balance at 1 September 2022	841,281	398,145	(29,323)	-	1,210,103
Changes from financing cash flows					
Proceeds from new bank loan	449,115	-	-	-	449,115
Repayment of borrowings	(27,168)	-	-	-	(27,168)
Repayment of leases	-	(44,173)	-	-	(44,173)
Capitalised borrowing costs	(12,150)	-	-	-	(12,150)
Interest paid	(91,961)	-	-	(445)	(92,406)
Total changes from financing cash flows	317,836	(44,173)	-	(445)	273,218
Other changes					
Lease additions	-	99,820	-	-	99,820
Liabilities acquired	28,145	231,095	-	-	259,240
Unrealised (gain) / loss on derivatives	-	-	(4,388)	2,250	(2,138)
Interest expense	108,007	33,622	-	-	141,629
Right-of-use lease modifications	-	5,250	-	-	5,250
Recognition of correction of right-of-use lease calculations under IFRS 16*	-	9,680	-	-	9,680
Exchange differences	(617)	(26,259)	-	-	(26,876)
Total other changes	135,535	353,208	(4,388)	2,250	486,605
Balance at 31 August 2023	***1,294,652***	***707,179***	***(33,711)***	***1,805***	***1,969,925***

*Right-of-use lease calculations prepared in a prior period, in accordance with IFRS 16, have been adjusted in the year ended 31 August 2023 to correct the timing of contractual payments and include renewal periods not previously considered. An adjustment of €2,867,000 was made to decrease the right-of-use land and building asset net book value, cost was reduced by €7,040,000 and accumulated depreciation reduced by €4,172,000, of which €2,336,000 is included in right-of-use depreciation charge for the current year, refer to note 14. The related lease liability was increased by €9,175,000, of which €505,000 is included in finance costs. An adjustment of €14,883,000 is recognised in the statement of comprehensive (loss) / income as variable lease payments, giving a net effect on the current year of profit before tax of €12,042,000. The prior year comparatives have not been restated as the impact to Group property, plant and equipment and net assets is deemed immaterial to restate.

Notes to the consolidated financial statements (continued)

NOTE 20 – LOANS AND BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

(in €000's)	Bank loans and borrowings	Lease liabilities	Derivative financial asset	Total
Balance at 1 September 2021	770,368	280,792	-	1,051,160
Changes from financing cash flows				
Proceeds from new bank loan	46,500	-	-	46,500
Repayment of borrowings	(30,788)	-	-	(30,788)
Repayment of leases	-	(27,016)	-	(27,016)
Capitalised borrowing costs	(612)	-	-	(612)
Interest paid	(68,972)	-	(4,449)	(73,421)
Total changes from financing cash flows	(53,872)	(27,016)	(4,449)	(85,337)
Other changes				
Lease additions	-	31,559		31,559
Liabilities acquired	48,012	58,445	2,343	108,800
Unrealised gain on derivatives	-	-	(27,606)	(27,606)
Interest expense	76,773	23,552	-	100,325
Reversal of excess interest expense previously recognised on a leased building**	-	(5,277)	-	(5,277)
Exchange differences	-	36,090	389	36,479
Total other changes	124,785	144,369	(24,874)	244,280
Balance at 31 August 2022	**841,281**	**398,145**	**(29,323)**	**1,210,103**

**Lease liability related to a leased building was adjusted during the prior year to correct for €5,277,000 of excess finance lease interest taken erroneously on the lease in prior periods. This was adjusted to prior year opening retained earnings.

Notes to the consolidated financial statements (continued)

NOTE 21 – PROVISIONS

	€000's
At 1 September 2021	-
Arising during the year	890
At 31 August 2022	**890**
Arising during the year	345
At 31 August 2023	**1,235**

In 2022, the Group introduced a long-term incentive plan ("LTIP") which grants awards based on performance to certain employees of the Group. The awards are granted annually to employees that meet specified performance targets for the year. All awards will vest at the time of the Group's next equity refinancing, which is deemed to be in 3 years. Entitlement to the awards is subject to continued employment up to, and including, the vesting date. If an employee leaves employment before the vesting date, with exception of redundancy, the employee will forgo the right to any awards previously granted.

The fair value of the LTIP at 31 August 2023 was €1,235,000 (2022: €890,000). The fair value was calculated based on the expected present value of the probability-weighted average of all possible future cash flows, based on the issued and outstanding awards at 31 August 2023. The liability is remeasured at fair value at each reporting date, up to and including the vesting date. Any changes in fair value are recognised in profit or loss for the period. The total expense recognised for the period in staff costs in respect of the LTIP was €345,000 (2022: €890,000).

NOTE 22 - TRADE AND OTHER PAYABLES

(in €000's)	31 August 2023	31 August 2022
Amount due to related party (note 27)	134	-
Trade payables	20,633	14,445
Payroll payables	20,079	12,166
Payroll taxes payables	6,006	3,411
Capex payables	5,257	2,197
VAT payable	-	1,761
Other payables	13,080	11,248
Accruals	67,026	29,362
Total	**132,215**	**74,590**

The amount payable to related party is due to Permotio International Learning S.à.r.l. the immediate parent company of the Group. The outstanding balance is interest free and repayable on demand.

Notes to the consolidated financial statements (continued)

NOTE 23 – TERM DEPOSITS

(in €000's)	31 August 2023	31 August 2022
Term deposits	24,920	13,197
Total	**24,920**	**13,197**

The term deposits balance relates to security deposits (which are typically non-refundable) paid in advance of students joining a school.

NOTE 24 – SUBSIDIARIES

The Group consists of a parent company, International Schools Partnership Limited, incorporated in United Kingdom and several subsidiaries held directly and indirectly by International Schools Partnership Limited.

A full list of the Company's subsidiary undertakings, all of which are consolidated in these financial statements, are set out in the appendix.

Subsidiaries exempt from the requirements of the Act relating to the audit of individual accounts

International Schools Partnership Limited has provided a guarantee for the purposes of exemption from audit of individual company accounts under section 479A(2)(a) of the Companies Act 2006 for the following companies:

- Claremont School (St. Leonards) Limited
- International Schools Partnership Services Limited
- ISP Brazil Limited (formerly PIL Brazil Holdings 2 Limited)
- ISP Chile Limited
- ISP Colombia Limited
- ISP Costa Rica Limited
- ISP Dominican Republic Limited
- ISP Ecuador Limited
- ISP India Limited
- ISP Malaysia Limited
- ISP North America Limited
- ISP Peru Limited
- ISP Thailand Limited
- ISP Vietnam Limited
- Oaks International School Limited
- PIL Europe Holdings Limited
- PIL Mexico Holdings 1 Limited
- PIL Mexico Holdings 2 Limited
- PIL Middle East Holdings Limited
- PIL UK Holdings 1 Limited
- PIL UK Holdings 2 Limited
- Temple Cambridge Ltd

Notes to the consolidated financial statements (continued)

NOTE 25 – ULTIMATE PARENT COMPANY

The ultimate parent company is International Schools Partnership I S.à.r.l. a company incorporated and registered in Luxembourg. The immediate controlling party is Permotio International Learning S.à.r.l, a company incorporated and registered in Luxembourg.

This is the smallest and largest entity to consolidate the results of the company.

The ultimate controlling party is Partners Group Access 188 PF LP, a partnership registered and designated in Scotland.

NOTE 26 – REMUNERATION OF KEY MANAGEMENT PERSONNEL

During the 2023 financial year, the Group incurred remuneration costs, including social security costs, of €1,666,343 (2022: €1,560,514) for its key management personnel. Key management personnel are assessed as directors of the Company. The highest paid director received remuneration of €598,647 (2022: €598,731). The Group implemented a defined contribution pension scheme for key management personnel in July 2017. During the 2023 financial year each management personnel received €1,518 (2022: €nil) of pension benefit.

Management incentive plan
In July 2021, a management incentive plan ("MIP") was introduced whereby certain executive management purchased Class A ordinary shares in International Schools Partnership II S.à.r.l ("ISP Sarl") through Mourant Corporate Trustee (Jersey) Limited. the trustee, for their fair market value at the grant date.

A valuation of the market value of the shares issued was performed by an independent third party on the issue date. The shares will only deliver a return on a future exit event of the company; therefore the fair value was derived using the Monte Carlo based option pricing model.

The following assumptions were applied in determining the fair value of the shares issued:

	July 2021
Risk free rate of return based on the 5-year yield of a European guilt	0.0%
Future volatility rate	30.0% to 35.0%
Market value of each share issued	€1.23
Expected term to exit event (vesting period)	6.0 to 8.0 years

Further Class A ordinary shares in ISP Sarl were purchased in February 2022 and May 2022 by new executive management team members. The directors determined that the original valuation carried out in July 2021 was still valid for determining the market value of these shares issued.

The MIP is an equity settled share-based payment scheme. The total amount of employee benefit expense recognised in the statement of profit or loss for the year in respect of the MIP was €1,000,000 (2022: €1,000.000).

Notes to the consolidated financial statements (continued)

NOTE 27 - RELATED PARTY TRANSACTIONS

Amounts outstanding at the year-end were as follows:

Balances outstanding with related parties

(in €000's)	31 August 2023	31 August 2022
Trading balance with parent company (notes 15 and 22)	(134)	3,231
Trading balances with other related parties	-	1,777
Related party loan (note 20)	(8,488)	-
Total balance (owing) due	**(8,622)**	**5,008**

Transactions during the year were:

Transactions with related parties

(in €000's)	31 August 2023	31 August 2022
Administrative expenses		
Trading balances with other related parties	3,529	1,928
Total	**3,529**	**1,928**

Balances with parent company are amounts held with Permotio International Learning S.à.r.l., the immediate parent company of the Company.

Balances and transactions with other related parties relate to rent and service charges incurred through lease or service agreements with the other shareholders of subsidiaries where the Group owns less than 100% of the shares in the entities.

NOTE 28 – CONTINGENT LIABILITIES

To our knowledge there are no contingent liabilities. We have fully provided for material taxes and associated taxes, but not related interest and fines.

The Company has provided guarantees for ongoing support to Colegios Laude SA, Tenby Educare Sdn. Bhd, Tenby Education Sdn. Bhd. Al Nibras International Private School LLC, Aspen Heights British School LLC, Muntazeh English School SPC, Reach British School LLC, Star International School LLC, The Aquila School Owned by Shaikh Mohammed Maktoum Juma Al Maktoum One Person Company LLC, and The Hamilton International School LLC in respect to their continuation as a going concern.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS

Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. The acquisitions have been included in the consolidated financial statements from the date that the control was obtained by the Group. Acquisitions are performed to strengthen and widen the presence of the Group. Unless otherwise stated, control is gained through the purchase of the share capital of the company. Details of the acquisitions and disposals along with adjustments to the valuation of goodwill recognised are detailed below. Acquisition costs are recognised in the statement of comprehensive (loss) / income.

Business combinations between 1 September 2022 and 31 August 2023
Tomás Alva Edison School
On 8 September 2022, Pictos SAPI de CV (Mexico resident), a 100% owned subsidiary of PIL Mexico Holdings I Limited (Mexico resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired the remaining 10% non-controlling interest in Formación, Educación Y Cultura, S.C., increasing its ownership from 90% to 100%. Cash consideration of €3,427,000 was paid to the non-controlling shareholder.

Following is a schedule of additional interest acquired:

	€000's
Cash consideration paid to non-controlling shareholders	3,427
Carrying value of the additional interest in Formación, Educación Y Cultura, S.C.	2,373
Decrease in equity attributable to owners of the Company	**5,800**

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS

Boston School International
On 12 October 2022, ISP North America Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 90% of the share capital of Boston School S.A. (Panama resident).

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	17,435
Tangible assets	709
Right-of-use assets	6,328
Current assets	1,204
Cash	152
Current liabilities	(3,310)
Lease liabilities	(5,817)
Long-term liabilities	(1,982)
Deferred tax liabilities	(281)
Net assets attributable to owner	(2,997)
Intangible asset recognised on acquisition relating to the student registry	612
Non-controlling interest	238
Goodwill	19,582

*Converted using a foreign exchange rate of 0.979 USD/€.
**Consideration on acquisition was cash of USD 12,177,000 and contingent consideration of USD 4,894,000.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €93,000. The gross contractual receivable was €172,000. The provision for contractual cash flows not expected to be collected was €79,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2023**
Revenue	5,051	5,445
Profit	1,438	1,510
Acquisition costs	65	926

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Boston School International (continued)

Contingent consideration

Acquisition consideration agreed with the former owner includes a contingent portion based on the results for the year ending 31 August 2023.

As at the acquisition date, the fair value of the contingent consideration was estimated to be €4.999.000.

Leonardo da Vinci Scuola Paritaria

On 30 November 2022, Magafe 2 Srl (Italy resident), a 100% owned subsidiary of PIL Europe Holdings Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Centro Studi Superiori S.r.l. (Italy resident).

The goodwill on acquisition was calculated as follows:

	€000's
Consideration*	33.000
Tangible assets	14.583
Right-of-use assets	1,647
Current assets	4,623
Cash	6,449
Current liabilities	(10,036)
Lease liabilities	(1,647)
Long-term liabilities	(2,941)
Deferred tax liabilities	(1,546)
Net assets attributable to owner	11,132
Intangible asset recognised on acquisition relating to the student registry	2,625
Goodwill	19,243

*Consideration on acquisition was cash of €33,000,000. There was no deferred or contingent consideration.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €3,699,000. The gross contractual receivable was €3,744,000. The provision for contractual cash flows not expected to be collected was €45,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2023**
Revenue	7.211	9.773
Profit	1.334	1.970
Acquisition costs	188	452

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Manthan International School

On 15 December 2022, ISP India Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Manthan Educational Solutions Private Limited (India resident), which itself manages the trading operations of Manthan Educational Society, a non-for-profit organisation.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	35,374
Tangible assets	5,682
Right-of-use asset	2,324
Other long-term assets	1,611
Current assets	2,124
Cash	177
Current liabilities	(3,599)
Lease liability	(439)
Long-term liabilities	(640)
Deferred tax liabilities	(2,960)
Net assets attributable to owner	4,280
Intangible asset recognised on acquisition relating to the student registry	7,327
Goodwill	23,767

*Converted using a foreign exchange rate of 86.550 INR/€.
**Consideration on acquisition was cash of INR 2,755 million and deferred consideration of INR 306 million.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €31,000. The gross contractual receivable was €31,000. The provision for contractual cash flows not expected to be collected was €nil. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2023
Revenue	3,395	5,091
Profit	544	1,370
Acquisition costs	204	552

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

British School of Wilanow
On 23 December 2022, ISP Poland Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 90% of the share capital of British Primary School of Wilanow sp.o.o and British Nursery of Wilanow sp.z.o.o (Poland residents).

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	18,913
Tangible assets	4
Right-of-use asset	5,974
Current assets	473
Cash	721
Current liabilities	(2,657)
Lease liability	(5,974)
Deferred tax liabilities	(1,125)
Net assets attributable to owner	(2,584)
Intangible asset recognised on acquisition relating to the student registry	5,260
Intangible asset recognised on acquisition relating to brand	661
Non-controlling interest	(334)
Goodwill	15,910

*Converted using a foreign exchange rate of 4.655 PLN/€.
**Consideration on acquisition was cash of PLN 88,155,000 less deferred consideration of PLN 123,000. Deferred consideration actually paid subsequent to year end was PLN 123,000, which was initial purchase price adjustment calculated as per the terms of the share purchase agreement.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €131,000. The gross contractual receivable was €191,000. The provision for contractual cash flows not expected to be collected was €60,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2023
Revenue	3,150	5,158
Profit	450	1,227
Acquisition costs	401	723

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

British School of Wilanow (continued)

Option to purchase non-controlling interest

The shareholders' agreement includes both a put and call option, exercisable sometime between the 5th and 7th anniversary of the acquisition date.

The estimated present value of the exercise option prices range from €1,689,000 to €1,739,000. As at the acquisition date, the Group has included €1,689,000 as the fair value of contingent consideration liability related to the purchase of the non-controlling interest, with the offset being reported directly in equity.

Alexandria International School

On 16 February 2023, Magafe 2 Srl (Italy resident), a 100% owned subsidiary of PIL Europe Holdings Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Centro Studi Alexandria S.r.l. (Italy resident).

The goodwill on acquisition was calculated as follows:

	€000's
Consideration*	7,809
Tangible assets	196
Right-of-use asset	2,093
Current assets	341
Cash	428
Current liabilities	(1,999)
Lease liability	(2,093)
Deferred tax liabilities	(1,149)
Net assets attributable to owner	(2,183)
Intangible asset recognised on acquisition relating to the student registry	4,787
Goodwill	5,205

*Consideration on acquisition was cash of €6,571,000 and contingent consideration of €1,238,000.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €nil. The gross contractual receivable was €nil. The provision for contractual cash flows not expected to be collected was €nil. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Alexandria International School (continued)
CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2023
Revenue	1,341	3,410
Profit	(525)	(198)
Acquisition costs	123	375

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Contingent consideration
Acquisition consideration agreed with the former owner includes a contingent portion based on trading for the calendar year 1 January to 31 December 2023.

As at the acquisition date, the fair value of the contingent consideration was estimated to be €1,238,000.

Fairmont Schools
On 30 March 2023, ISP US Holdings Inc (US resident), a 100% owned subsidiary of ISP North America Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Fairmont Schools Inc (US resident), including its 100% owned subsidiary Fairmont Global Education Services Ltd (Hong Kong resident) and its 100% owned subsidiary Fairmont Empowering Dreams (Shanghai) Cultural Communications Co. Ltd (China resident).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	102,698
Tangible assets	11,075
Right-of-use assets	179,721
Current assets	4,122
Cash	6,966
Current liabilities	(28,911)
Lease liabilities	(155,847)
Deferred tax liabilities	(14,702)
Net assets attributable to owner	2,424
Intangible asset recognised on acquisition relating to the student registry	13,300
Intangible asset recognised on acquisition relating to the brand	9,588
Goodwill	77,386

*Converted using a foreign exchange rate of 1.077 USD/€.
**Consideration on acquisition was cash of USD 104,684,000 and deferred consideration of USD 5,932,000.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Fairmont Schools (continued)
The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €426,000. The gross contractual receivable was €2,347,000. The provision for contractual cash flows not expected to be collected was €1,921,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2023
Revenue	22,512	61,121
Profit	1,119	8,940
Acquisition costs	1,202	1,851

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

The English College Dubai
On 5 July 2023, PIL Middle East Holdings Ltd (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 80% of the share capital of English College Holdings Ltd (UAE resident) which itself holds 100% of the share capital of English College Dubai LLC (UAE resident).

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	21,659
Tangible assets	427
Right-of-use asset	30,024
Current assets	965
Cash	3,266
Current liabilities	(5,080)
Lease liability	(31,321)
Long-term liabilities	(686)
Deferred tax liabilities	(712)
Net assets attributable to owner	(3,117)
Intangible asset recognised on acquisition relating to the student registry	5,323
Intangible asset recognised on acquisition relating to the brand	3,885
Non-controlling interest	(1,218)
Goodwill	16,786

*Converted using a foreign exchange rate of 4.038 AED/€.
**Consideration on acquisition was cash of AED 79,920,000 and deferred consideration of AED 7,530,000.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

The English College Dubai (continued)
The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €202,000. The gross contractual receivable was €333,000. The provision for contractual cash flows not expected to be collected was €131,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2023**
Revenue	28	15,852
Profit	(2,266)	2,137
Acquisition costs	-	384

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Option to purchase non-controlling interest
The shareholders' agreement includes both a put and call option, which is exercisable on the third anniversary of the acquisition date.

As at the acquisition date, the Group has included €6,097,000 as the fair value of contingent consideration liability related to the purchase of the non-controlling interest, with the offset being reported directly in equity.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Berda Claude International School of Phuket (BCIS)
On 18 July 2023, ISP Thailand Limited (UK resident) and ISP Thai Holdings Ltd (Thailand resident) acquired 100% of Phuket International Education Centre Co., Ltd (Thailand resident), with shareholdings of 49% and 51% respectively. Refer to note 24 and the appendix for details on immediate and ultimate parents of the acquiring entities.

On the same date, Phuket International Centre Co Ltd purchased the trade and assets of Berda Claude International School of Phuket (BCIS), including the school license agreement and specified school assets, and assumed liabilities of deferred income and student deposits valued at THB 69,052,000 and THB 34,460,000 respectively.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	27,695
Tangible assets	1,246
Right-of-use assets	12,097
Current assets	1,907
Cash	-
Current liabilities	(5,892)
Lease liabilities	(488)
Deferred tax liabilities	(3,290)
Net assets attributable to owner	5,580
Intangible asset recognised on acquisition relating to the student registry	3,143
Intangible asset recognised on acquisition relating to the brand	1,752
Goodwill	17,220

*Converted using a foreign exchange rate of 37.237 THB/€.
**Consideration on acquisition was cash of THB 895,989,000, deferred consideration of THB 13,956,000 and contingent consideration of THB 121,344,000.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €1,253,000. The gross contractual receivable was €1,253,000. The provision for contractual cash flows not expected to be collected was €nil. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Berda Claude International School of Phuket (BCIS) (continued)
CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2023
Revenue	377	7,493
Profit	(325)	1,659
Acquisition costs	4	677

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Contingent consideration
Acquisition consideration agreed with the former owner includes a contingent portion based on student numbers for the academic year ending 31 August 2023.

As at the acquisition date, the fair value of the contingent consideration was estimated to be €3,259,000.

St. George Madrid
On 31 July 2023, Colegios Laude SL (Spain resident), a 100% owned subsidiary of PIL Europe Holdings Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of British & International School XXI SLU (Spain resident).

The goodwill on acquisition was calculated as follows:

	€000's
Consideration*	94,563
Tangible assets	4,051
Right-of-use asset	59,812
Current assets	1,500
Cash	2,130
Current liabilities	(4,590)
Lease liability	(10,829)
Long-term liabilities	(389)
Deferred tax liabilities	(15,890)
Net assets attributable to owner	35,795
Intangible asset recognised on acquisition relating to the student registry	14,579
Goodwill	44,189

*Consideration on acquisition was cash of €90,000,000 and contingent consideration of €4,563,000.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

St. George Madrid (continued)
The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €22,000. The gross contractual receivable was €324,000. The provision for contractual cash flows not expected to be collected was €302,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2023**
Revenue	560	10,894
Profit	190	4,835
Acquisition costs	462	540

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Contingent consideration
Acquisition consideration agreed with the former owner includes a contingent portion based on securing certain additional contractual rights..

As at the acquisition date, the fair value of the contingent consideration was estimated to be €4,563,000.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Aubrick

On 1 August 2023, ISP Brazil Limited (UK resident), a 100% subsidiary of ISP Chile Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 90% of the share capital of Núcleo Educacional Moema S/S Ltda (Brazil resident).

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	27,297
Tangible assets	1,481
Right-of-use assets	13,215
Current assets	790
Cash	2
Current liabilities	(6,398)
Lease liabilities	(15,604)
Deferred tax liabilities	(2,483)
Net assets attributable to owner	(8,997)
Intangible asset recognised on acquisition relating to the student registry	8,006
Intangible asset recognised on acquisition relating to the brand	1,686
Non-controlling interest	(70)
Goodwill	26,672

*Converted using a foreign exchange rate of 5.099 BRL/€.
**Consideration on acquisition was cash of BRL 126,286,000 and deferred consideration of BRL 12,897,000.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €88,000. The gross contractual receivable was €149,000. The provision for contractual cash flows not expected to be collected was €61,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2023**
Revenue	870	8,464
Profit	188	1,420
Acquisition costs	520	691

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Aubrick (continued)

Option to purchase non-controlling interest

The share purchase agreement includes a put option exercisable between 1 January 2024 and 31 December 2028 and a call option that can be exercised between 1 January and 31 December 2028.

The estimated present value of the exercise option prices range from €2,531,000 to €2,880,000. As at the acquisition date, the Group has included €2,573,000 as the fair value of contingent consideration liability related to the purchase of the non-controlling interest, with the offset being reported directly in equity.

Bangkok International Preparatory and Secondary School

On 8 August 2023, ISP Thailand Limited (UK resident) and Education Holdings (Thailand) Ltd (Thailand resident) acquired 75% of Systems Litte House Ltd (Thailand resident), with shareholdings of 49.7% and 25.3% respectively. Refer to note 24 and the appendix for details on immediate and ultimate parents of the acquiring entities. Systems Little House Ltd owns 100% of Bangkok International Preparatory and Secondary School, a school juristic person under the Private School Act in Thailand.

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	64,252
Tangible assets	70,663
Right-of-use asset	2,547
Other non-current assets	460
Current assets	2,558
Cash	5,313
Current liabilities	(20,925)
Lease liability	(1,035)
Long-term liabilities	(19,092)
Deferred tax liabilities	(4,558)
Net assets attributable to owner	35,931
Intangible asset recognised on acquisition relating to the student registry	7,128
Intangible asset recognised on acquisition relating to the brand	4,870
Non-controlling interest	(11,982)
Goodwill	28,305

*Converted using a foreign exchange rate of 37.207 THB/€.
**Consideration on acquisition was cash of THB 2,095 million and deferred consideration of THB 295 million.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Bangkok International Preparatory and Secondary School (continued)
The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €1,694,000. The gross contractual receivable was €1,712,000. The provision for contractual cash flows not expected to be collected was €18,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2023
Revenue	1,719	24,337
Profit	30	7,491
Acquisition costs	427	815

***Post-acquisition refers to the following period: date of acquisition to 31 August 2023.

Option to purchase non-controlling interest
The shareholders' agreement includes a put option for the non-controlling management shareholders which can be exercised at any time.

The estimated present value of the exercise option prices range from €10,035,000 to €22,442,000. As at the acquisition date, the Group has included €15,441,000 as the fair value of contingent consideration liability related to the purchase of the non-controlling interest, with the offset being reported directly in equity.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Business combinations between 1 September 2021 and 31 August 2022
If new information is obtained within the measurement period, being one year from the date of acquisition, about facts and circumstances that existed at the date of acquisition that identifies adjustments to the below amounts, or any provisions that existed at the date of acquisition, then the accounting for the acquisition is revised. Any revisions to the prior year business combinations have been disclosed below under the respective acquisitions.

Ecole Mosaic
On 1 September 2021, PIL Europe Holdings Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Ecole Mosaic SA (Swiss resident).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	10,134
Tangible assets	902
Right-of-use asset	3,378
Current assets	413
Cash	177
Current liabilities***	(1,959)
Lease liability	(3,378)
Deferred tax liabilities	(296)
Net assets attributable to owner	(763)
Intangible asset recognised on acquisition relating to the student registry	2,112
Goodwill***	8,785

*Converted using a foreign exchange rate of 1.076 CHF/€.
**Consideration on acquisition was cash of CHF 9,329,000 and deferred consideration of CHF 1,576,000. Deferred consideration actually paid out during the year was €1,187,000 (CHF 1,111,000), which was based on the amount as per the purchase agreement less any agreed finalisation adjustments.
***Additional provisions of €119,000, and offsetting impact to goodwill, have been reflected in the current period financial statements. Prior year comparatives have not been changed as the directors do not consider the effect on the prior period financial statements to be material.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €187,000. The gross contractual receivable was €242,000. The provision for contractual cash flows not expected to be collected was €55,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2022
Revenue	6,468	6,468
Profit	265	265
Acquisition costs	1	1

***Post-acquisition refers to the following period: date of acquisition to 31 August 2022.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Riviera Preparatory and Day Schools
On 29 September 2021, ISP US Holdings Inc. (US resident), a 100% owned subsidiary of ISP North America Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Riviera Preparatory School Holdings LLC and Laro CG LLC (US residents).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	110,234
Tangible assets	38,229
Current assets	2,711
Cash	4,240
Current liabilities***	(3,476)
Long term liabilities	(27,205)
Net assets attributable to owner	14,499
Intangible asset recognised on acquisition relating to the student registry	18,299
Goodwill***	77,436

*Converted using a foreign exchange rate of 1.166 USD/€.
**Consideration on acquisition was cash of USD 125,555,000 and deferred consideration of USD 3,000,000.
***Additional provisions of €179,000, and offsetting impact to goodwill, have been reflected in the current period financial statements. Prior year comparatives have not been changed as the directors do not consider the effect on the prior period financial statements to be material.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €2,264,000. The gross contractual receivable was €2,483,000. The provision for contractual cash flows not expected to be collected was €219,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2022**
Revenue	23,175	25,691
Profit	8,702	9,966
Acquisition costs	276	8,694

***Post-acquisition refers to the following period: date of acquisition to 31 August 2022.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Straits International Education Group
On 13 October 2021, Tenby Educare Sdn Bhd (Malaysia resident), a 100% owned subsidiary of ISP Malaysia Ltd (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Straits International Education Group Sdn Bhd, which itself holds 100% of the share capital of KK Straits International Education Group Sdn Bhd and SG Straits International Education Group Sdn (Malaysia residents).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	8,717
Tangible assets	1,928
Right-of-use asset	19,176
Current assets	851
Cash	272
Current liabilities***	(3,243)
Lease liability	(19,176)
Deferred tax liabilities	(272)
Long term liabilities	(631)
Net assets attributable to owner	(1,095)
Intangible asset recognised on acquisition relating to the student registry	1,132
Goodwill***	8,680

*Converted using a foreign exchange rate of 4.762 MYR/€.
**Consideration on acquisition was cash of MYR 41,508,000. There was no deferred or contingent consideration.
***Additional provisions of €259,000, and offsetting impact to goodwill, have been reflected in the current period financial statements. Prior year comparatives have not been changed as the directors do not consider the effect on the prior period financial statements to be material.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €nil. The gross contractual receivable was €10,000. The provision for contractual cash flows not expected to be collected was €10,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2022
Revenue	4,185	4,545
(Loss)	(1,077)	(1,087)
Acquisition costs	(5)	(5)

***Post-acquisition refers to the following period: date of acquisition to 31 August 2022.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

St. Mary's School
On 18 January 2022, ISP India Ltd (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 75% of the share capital of St. Mary's Edumanagement Services Private Limited (India resident).

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	17,171
Tangible assets	2,172
Right-of-use asset	20,575
Current assets	703
Cash	37
Current liabilities	(2,203)
Lease liability	(20,575)
Deferred tax liabilities	(1,571)
Long term liabilities	(185)
Net assets attributable to owner	(1,047)
Intangible asset recognised on acquisition relating to the student registry	5,237
Non-controlling interest	(1,440)
Goodwill	14,421

*Converted using a foreign exchange rate of 84.746 INR/€.
**Consideration on acquisition was cash of INR 1,300,000,000 plus contingent consideration of INR 155,188,000.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €nil. The gross contractual receivable was €51,000. The provision for contractual cash flows not expected to be collected was €51,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2022**
Revenue	4,481	7,221
Profit	597	1,716
Acquisition costs	625	650

***Post-acquisition refers to the following period: date of acquisition to 31 August 2022.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

St. Mary's School (continued)

Contingent consideration

Acquisition consideration agreed with the former owner includes a contingent portion based on the results for the year ended 31 March 2023.

As at the acquisition date, the fair value of the contingent consideration was estimated to be INR 155,188,000.

Colegio Terranova

On 22 February 2022, ISP Ecuador Limited (UK resident) and ISP Chile Ltd (UK resident), each a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Compania Scolasticomp C. Ltda (Ecuador resident).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	21.547
Tangible assets	13,671
Deferred tax asset	45
Current assets	1,632
Cash	552
Current liabilities***	(4,369)
Net assets attributable to owner	11.531
Goodwill***	10.016

*Converted using a foreign exchange rate of 1.095 USD/€.

**Consideration on acquisition was cash of USD 23,585,000. There was no deferred or contingent consideration.

***Additional provisions of €241.000, and offsetting impact to goodwill, have been reflected in the current period financial statements. Prior year comparatives have not been changed as the directors do not consider the effect on the prior period financial statements to be material.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €425,000. The gross contractual receivable was €765,000. The provision for contractual cash flows not expected to be collected was €340,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2022
Revenue	2,510	8,057
Profit	63	2,507
Acquisition costs	144	404

***Post-acquisition refers to the following period: date of acquisition to 31 August 2022.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Star International School
On 29 July 2022, PIL Middle East Holdings Ltd (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 80% of the share capital of Star Schools Holding Limited (Abu Dhabi resident) which itself holds 100% of the share capital of Star International School LLC (Dubai resident).

The Group has elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	15,693
Tangible assets	19,118
Right-of-use asset	46,997
Current assets***	2,676
Cash	406
Current liabilities	(10,433)
Lease liability	(15,316)
Long term liabilities	(31,297)
Net assets attributable to owner	12,151
Intangible asset recognised on acquisition relating to the student registry	9,574
Non-controlling interest***	(4,345)
Bargain purchase***	(1,687)

*Converted using a foreign exchange rate of 3.831 AED/€.
**Consideration on acquisition was cash of AED 48,403,000 plus deferred consideration of AED 2,867,000 and contingent consideration of AED 8,846,000.
***Additional other receivables of €1,171,000 were recognised during the measurement period, resulting in additional gain on purchase which has been recorded in the statement of profit or loss.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease.

The acquisition has resulted in a bargain purchase due to the favourable terms of the lease. The gain on purchase has been recorded in the statement of profit or loss.

The carrying value of trade receivables at the acquisition date was €800,000. The gross contractual receivable was €976,000. The provision for contractual cash flows not expected to be collected was €176,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Star International School (continued)

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2022
Revenue	32	12,897
(Loss)	(1,002)	(4,664)
Acquisition costs	33	275

***Post-acquisition refers to the following period: date of acquisition to 31 August 2022.

Contingent consideration
Acquisition consideration agreed with the former owner includes a maximum earn out payment of AED 8,846,000 which is contingent on the school's future performance. Management have assessed the probability of meeting this future performance at 100%.

Option to purchase non-controlling interest
The shareholders' agreement includes both a put and call option which may be exercised during the period commencing 30 June 2026 and 30 June 2028. During the current year, management identified that the put call option was not accounted for in the prior year financial statements. The fair value of the contingent consideration liability related to the purchase of the non-controlling interest at the date of acquisition was estimated at €10,814,000. The liability, and offsetting impact directly in equity, has been reflected in the current period financial statements. Prior year comparatives have not been changed as the directors to not consider the effect on the prior period financial statements to be material. The liability was recognised during 2023 considering the initial fair value as at the acquisition date, and updated to the fair value as at 31 August 2023. Refer to note 19 for further details.

Notes to the consolidated financial statements (continued)

NOTE 30 - EVENTS AFTER THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Acquisitions/subsidiaries

On 7 October 2023, ISP Morocco Limited (UK resident) was incorporated as a 100% owned subsidiary of International Schools Partnership Limited (UK resident).

On 2 January 2024, ISP Morocco Holdings (Morocco resident) was incorporated as a 100% owned subsidiary of ISP Morocco Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident).

On 4 October 2023, ISP India Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 80% of the share capital of Vivus Education Private Limited (India resident). On 31 October 2023, ISP India Limited acquired 80% of the share capital of Kovai Hills Edinfra Private Limited (India resident). The acquired companies are collectively known as CS Academy amd purchased for total consideration of INR 1,825,000,000.

On 30 October 2023, ISP Brasil Participacoes LTDS (Brazil resident), a 100% owned subsidiary of ISP Brazil Limited (UK resident), ultimately a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 51% of the share capital of International School Centro de Educação (Brazil resident). On 8 December 2023, ISP Brasil Participacoes acquired the remaining 49% shareholding in the company, for total ownership of 100%. The company was purchased for total consideration of BRL 156,687,000.

On 31 October 2023, ISP CNBH Srl (Dominican Republic resident), an 80% owned subsidiary of ISP Dominican Republic Limited (UK resident), ultimately a 100% owned subsidiary of International Schools Partnership Limited (UK resident), completed the purchase of the trade and assets of Colegio Bilingue New Horizons Srl for total consideration of DOP 1,565,000,000. The consideration was paid during the year and held in a reserve account until a tax ruling was issued. The advance payment has been reported as prepaid consideration in the statement of financial position as at 31 August 2023.

On 5 January 2024, ISP Poland Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Akademeia Educational Group Sp zoo (Poland resident) and its 100% wholly owned subsidiaries Akademeia High School Sp zoo (Poland resident) and Akademeia Operations Sp zoo (Poland resident) and registered foundation Fundacja Akademeia High School. The group was purchased for PLN 153,947,000.

On 20 February 2023, ISP Morocco Holdings (Morocco resident), a 100% owned subsidiary of ISP Morocco Limited (UK resident), ultimately a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Group Charles Peguy, and its 100% wholly owned subsidiaries Graines d'Enfances and Graines d'Elite Prive. The group was purchased for MAD 198,531,000.

The accounting for each of these acquisitions has not been finalised to show the calculation of the goodwill on acquisition.

Notes to the consolidated financial statements (continued)

NOTE 30 - EVENTS AFTER THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

Borrowings

There has been a total draw down of €9,649,000 and USD125,900,000 from the acquisition facilities to facilitate the post year end acquisitions. The drawdowns occurred on 14 September 2023 for €9,649,000 and USD 46,000,000, 13 October 2023 for USD 32,700,000, and 20 December 2023 for USD 47,200,000.

Of the €80,000,000 drawn on the Revolving Credit Facility at year end, €30,000,000 was repaid on 18 September 2023. An additional €94,000,000 was drawn on the Revolving Credit Facility subsequent to year end, of which €45,000,000 has been repaid.

Share issuance

On 14 September 2023, the Company issued 1 Ordinary share, with a nominal value of €0.00001, at a premium of €106,017,363. The Company further resolved to reduce the share premium account by €106,017,363, with the amount credited to the distributable reserve account.

On 1 February 2024, the Company issued 1 Ordinary share, with a nominal value of €0.00001, at a premium of €30,000,000.

Other events

In December 2023, the property formerly used for the school operations in Baton Rouge, see note 12, was sold to a third party for USD4,200,000.

Company Statement of Financial Position
as at 31 August 2023

	Note		31 August 2023 €000's		31 August 2022 €000's
Fixed assets					
Tangible assets	3		1,137		-
Intangible assets	4		471		-
Investments	5		1,213,852		963,923
Current assets:					
Debtors (including €260,305,000 (2022: €199,672,000) falling due after more than one year)	6	477,695		227,585	
Cash at bank and in hand		16,939		36,536	
		494,634		264,121	
Creditors: amounts falling due within one year	7	(94,108)		(81,349)	
Net current assets			400,526		182,772
Creditors: amounts falling due after more than one year	8		(1,244,015)		(797,825)
Deferred tax liability	10		(7,334)		(4,627)
Provision	11		-		(890)
Net assets			364,637		343,353
Capital and reserves					
Called up share capital	12		14		14
Share premium account	12		394,477		394,477
Prepaid share reserve	13		106,017		-
Capital contribution reserve	13		79,931		79,931
Fair value reserve	13		22,002		19,726
Profit or loss account	13		(237,804)		(150,795)
Shareholders' funds			364,637		343,353

The notes on pages 101 to 114 form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit or loss account and related notes, as it prepares group accounts. The company's total comprehensive loss for the period was €87,009,000 (2022: loss of €82,420,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 March 2024.

D Mee
Director

Company statement of changes in equity from 1 September 2022 to 31 August 2023

	Called up share capital €000's	Share premium account €000's	Prepaid share reserve €000's	Capital contribution reserve €000's	Fair value reserve €000's	Profit or loss account €000's	Total €000's
At 31 August 2021	14	464,477	-	79,931	-	(232,262)	312,160
Total comprehensive loss for the period							
Loss for the year	-	-	-	-	-	(82,420)	(82,420)
Other comprehensive income for the year (note 9)	-	-	-	-	19,726	-	19,726
Total comprehensive loss for the period	-	-	-	-	19,726	(82,420)	(62,694)
Transactions with owners, recorded directly in equity							
Issue of shares (note 12)	-	(70,000)	-	-	-	163,887	93,887
Total contribution by and distributions to owners	-	(70,000)	-	-	-	163,887	93,887
At 31 August 2022	14	394,477	-	79,931	19,726	(150,795)	343,353
Total comprehensive loss for the period							
Loss for the year	-	-	-	-	-	(87,009)	(87,009)
Other comprehensive income for the year (note 9)	-	-	-	-	2,276	-	2,276
Total comprehensive loss for the period	-	-	-	-	2,276	(87,009)	(84,733)
Transactions with owners, recorded directly in equity							
Issue of shares (note 12)	-	-	106,017	-	-	-	106,017
Total contribution by and distributions to owners	-	-	106,017	-	-	-	106,017
At 31 August 2023	14	394,477	106,017	79,931	22,002	(237,804)	364,637

The notes on pages 101 to 114 form part of these financial statements.

Notes to the Company financial statements

1. Accounting Policies

1.1 Basis of preparation of financial statements

International Schools Partnership Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in England in the UK. The registered number is 09817502 and the registered address is 7th Floor 280 Bishopsgate, London, United Kingdom, EC2M 4RB.

The group financial statements have been prepared in accordance with International Accounting Standards in conformity with the companies Act 2006 ("IFRS"). The Company has elected to prepare its parent company financial statements in accordance with FRS 101 (Reduced Disclosure Framework): these are presented on pages 101 to 114. The financial statements have been prepared under the historical cost convention modified to include the fair value measurement of derivative financial instruments.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The Company has taken advantage of the following disclosure exemptions as permitted by FRS101:

- The Company has not prepared a cash flow statement and related notes
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and disclosures required by IFRS 7 *Financial Instrument Disclosures*
- Disclosures in respect of capital management
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures in respect of the compensation of Key Management Personnel
- The effects of new but not yet effective IFRSs.

The financial statements are presented in Euro (€). The Company's financial statements are rounded to the nearest thousand Euro ("€000's").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Uses of judgements and estimates

Assumptions and estimation uncertainties

The directors have assessed and don't believe there are any key judgement within the parent company accounts. Estimates made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3 of the consolidated financial statements.

Impairment of investments in subsidiaries

The Company is required to estimate on whether the investments in subsidiaries are recoverable and to estimate the recoverable amount of these assets. This assessment is performed annually and is based on the fair value of the investments. The fair value is measured using valuation techniques that require management to exercise judgement in determining the future profitability and cash flows of those subsidiaries, growth rates and discount rates. Changes in assumptions relating to these factors could affect the fair value of the investment, and if applicable, the impairment loss recognised.

Notes to the Company financial statements

1. Accounting Policies (continued)

1.3 Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

1.4 Income taxes

Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the consolidated statement of financial position date. Certain subsidiaries are subject to foreign taxes in respect to their net income and capital gains in their country of operation.

Current tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in correlation to the underlying transaction outside of profit or loss.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.5 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Construction in progress is carried at cost less any recognised impairment loss. Depreciation of these assets, determined on the same basis as IT hardware, commences when the assets are ready for their intended use.

Depreciation is recognised to write off the cost of the assets less their residual values over their useful lives, using the straight-line method. The estimated useful economic life of IT hardware is 5 years.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised to write off the cost over the useful life of the assets, using the straight-line method. The estimated useful economic life of software is 5 years.

1.7 Impairment of non-financial assets

Assets are assessed at each reporting date, as to whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.8 Investments

Investments in subsidiaries are carried at cost less impairment to date.

1.9 Cash at bank and in hand

Cash comprises of cash balances held at banks or in hand.

Notes to the Company financial statements (continued)

1. Accounting Policies (continued)

1.10 Impairment of financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL. Loss allowances for trade receivables that do not contain a significant financing component are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

1.11 Intra-group financial instruments

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

1.12 Derivative financial instruments and hedging

The Company uses derivative financial instruments, such as interest rates caps, to hedge its interest rate risk on bank loans. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as cash flow hedges. Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve through other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the statement of profit or loss.

When the forecast transaction subsequently results in the recognition of a non-financial item, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability. For all other hedged forecast transactions, the associated cumulative gain or loss is reclassified to the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Notes to the Company financial statements (continued)

1. Accounting Policies (continued)

1.13 Loans and borrowings

Borrowings are recognised initially at fair value, net of direct transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

When borrowings are including floor or cap rates which are defined as closely related embedded derivatives, they are not separated from the host contract.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

1.14 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2. Directors' remuneration

No director received remuneration, retirement or other benefits from the Company during either the current or prior year. Due to the nature of operations of the Group, the remuneration of the directors for their services to International Schools Partnership Limited is not contained in the records of the Company. The directors are remunerated for their services to the group, which is disclosed in note 26 of the consolidated financial statements. Their services to this entity are minimal and a trivial amount of their remuneration is attributable to this entity.

Notes to the Company financial statements (continued)

3. Tangible assets

	IT Hardware €000's	Construction in progress €000's	Total €000's
Cost			
At 31 August 2022	-	-	-
Additions	3	1,135	1,138
At 31 August 2023	**3**	**1,135**	**1138**
Depreciation			
At 31 August 2022	-	-	-
Charge for the year	(1)	-	(1)
At 31 August 2023	**(1)**	**-**	**(1)**
Net book value			
At 31 August 2022	-	-	-
At 31 August 2023	**2**	**1,135**	**1,137**

4. Intangible assets

	Software €000's
Cost	
At 31 August 2022	-
Additions	557
At 31 August 2023	**557**
Amortisation	
At 31 August 2022	-
Charge for the year	(86)
At 31 August 2023	**(86)**
Net book value	
At 31 August 2022	-
At 31 August 2023	**471**

Notes to the Company financial statements (continued)

5. Investments

	Shares in group undertakings €000's
Cost	
At 31 August 2022	**964,436**
Acquired in the period	280,251
At 31 August 2023	**1,244,687**
Provisions	
At 31 August 2022	**(513)**
Impairment losses	(30,322)
At 31 August 2023	**(30,835)**
Net book value	
At 31 August 2022	**963,923**
At 31 August 2023	**1,213,852**

The Company holds several direct and indirect investments in subsidiaries. A full list of the Company's subsidiary undertakings are set out in the appendix.

The impairment in the current year of €30,322,000 relates to the investment in ISP Services Limited that has been written down to the net asset value of the subsidiary.

6. Debtors

(in €000's)	31 August 2023	31 August 2022
Amounts due from group undertakings	438,337	197,084
Derivative instruments designated as hedges (note 9)	33,711	29,087
Other debtors	4,092	863
Prepayments	1,555	551
	477,695	**227,585**
Due within one year	**217,390**	**27,913**
Due after more than one year	**260,305**	**199,672**

The amounts due from group undertakings are unsecured and repayable on demand, incurring interest at the rates of 5.94%-10.46% (2022: 5.94%-10.46%). Balances repayable on demand that are not expected to be received within the next 12 months have been classified as due after more than one year.

During the year, the directors identified that receivables of €9,187,000 from Promouvoir Management Consultancy LLC were unrecoverable as the entity was liquidated in 2019. This balance should have been impaired in 2019 when the entity was liquidated. The directors do not consider that this has a material effect on the users of the accounts and have not restated the comparatives but have derecognised the receivables and recognised an impairment charge of €9,187,000 in the current year's statement of comprehensive loss

Notes to the Company financial statements (continued)

7. Creditors: amounts falling due within one year

(in €000's)	31 August 2023	31 August 2022
Trade creditors	1,497	675
Bank loan accrued interest	12,509	5,703
Accruals	6,064	3,015
Amounts owed to group undertakings	73,576	71,956
Corporate tax liability	462	-
	94,108	**81,349**

All amounts owed to group undertakings are trade balances. The amounts are interest free and repayable on demand.

8. Creditors: amounts falling due after more than one year

(in €000's)	31 August 2023	31 August 2022
Bank loans	1,242,210	797,825
Derivative instruments designated as hedges (note 9)	1,805	-
	1,244,015	**797,825**

Terms and repayment schedule

(in €000's)	Currency	Interest rate	Maturity	31 August 2023	31 August 2022
Debt facility	Euro	Euribor+5.75%	July 2028	1,190,353	771,502
Revolving credit facility	Euro	Euribor+ 2.75%-3.50%	January 2028	80,000	50,000
Borrowing costs	Euro	n/a	July 2028	(28,143)	(23,677)
Total loans and borrowings				**1,242,210**	**797,825**

During the year, the Group increased its debt facility for new acquisitions and working capital purposes by €670,000,000 and €75,000,000 respectively. The new debt facility has an interest rate of 6.50% – Euribor and matures 6 July 2028. The new revolving credit facility has an interest rate of 3.50% plus Euribor and matures on 6 January 2028. Both facilities can be drawn on in either the Euro or US currency.

As at 31 August 2023, the Group had a total available debt facility of €1,870,000,000 (2022: €1,200,000,000), of which €1,190,400,000 (2022: €771,500,000) was drawn. In addition, the Group had a total available revolving credit facility of €125,000,000 (2022: €50,000,000), of which €80,000,000 (2022: €50,000,000) was drawn.

Loans and borrowings include capitalised deal fees of €28,143,000 (2022: €23,677,000), including €11,457,000 of deal fees incurred during the year in relation to refinancing. The fees are being amortised over a period in line with the maturity of the term loan and acquisition facility (5 years).

Notes to the Company financial statements (continued)

9. Financial instruments

At year end the company has the following financial assets measured at fair value:

(in €000's)	31 August 2023	31 August 2022
Derivative instruments designated as hedges	31,906	27,913
Derivative instruments not designated as hedges	-	1,174
	31,906	**29,087**

The Company enters into interest rate cap or interest rate cap and collar contracts to mitigate the interest rate risk on the bank loans.

As at 31 August 2023, the Group is holding the following derivative instruments:
- three interest rate caps with a total nominal amount of €694.4m. The contracts have a term of 3 years and are due to mature on 23 January 2025, 26 February 2025 and 22 March 2025. The instruments protect the Group from rate increases in the Euribor above 0.5%;
- one interest rate cap with a nominal amount of €825m. The contract has an effective date of 31 March 2025, becoming effective as the above three contracts expire, and is due to mature on 31 December 2026. Instrument protects the Group from rate increases in the Euribor above 3.5%; and
- one interest rate cap and collar with a nominal amount of €200m. The contract has an effective date of 30 September 2024 and matures on 31 March 2025. The instrument effectively guarantees the Group a floating interest rate between the Euribor rates of 4.25% and 2.75%. If Euribor falls below 2.75%, the Group will be required to pay the difference in rates, however if the Euribor rises above 4.15% the Group will receive cashflows.

The derivative contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the Euribor rates.

The impact of the cash flow hedge in the statement of profit or loss and other comprehensive income ("OCI"), net of tax, is as follows:

	Total hedging gain recognised in OCI	Ineffectiveness recognised in profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Line item in the statement of profit or loss
	€000	**€000**	**€000**	**€000**	
Year ended 31 August 2023					
Interest rate caps	(12,981)	-	8,929	(1,435)	Finance cost
Interest rate cap and collar	-	-	504	-	Finance cost
Year ended 31 August 2022					
Interest rate caps	(26,264)	-	2,656	(745)	Finance cost

Notes to the Company financial statements (continued)

10. Deferred tax liability

The movement in the deferred tax included in the statement of financial position is as follows:

	Cash flow hedges €000's
At 1 September 2022	-
Deferred tax charge included directly in other comprehensive loss	4,627
At 31 August 2022	**4,627**
Deferred tax charge included directly in other comprehensive loss	2,707
At 31 August 2023	**7,334**

11. Provision

	Long-term incentive plan €000's
At 1 September 2022	-
Arising during the year	890
At 31 August 2022	**890**
Reversed during the year	(890)
At 31 August 2023	-

The provision for the long-term incentive plan was derecognised during the year as the employees in the plan are employed by International Schools Partnership Services Limited ("ISPS"), a wholly owned subsidiary of the Company. The provision and related staff expenses have been recognised in the company accounts for ISPS for the year ending 31 August 2023.

12. Share capital and share premium

	31 August 2023	31 August 2022
Allotted, called up and fully paid	€	€
Share premium	394,476,573	394,476,573
Ordinary shares	14,019	14,019

As at 31 August 2023, the Company had issued and outstanding 1,401,941,247 Ordinary shares of €0.00001 each (2022: 1,401,941,247 Ordinary shares of €0.00001 each).

No ordinary shares were issued during the year. Prior to year-end, the Company received funds of €106,017,363 from the shareholders for the issue of one (1) ordinary share at a nominal value of €0.00001. The allotment of the share, and subsequent reduction of the share premium account, was completed subsequent to year end on 14 September 2023. As such, the funds received have been recognised in the prepaid share reserve for the year ended 31 August 2023 and will be reclassified to the appropriate equity accounts in 2024.

During the prior year, the previously issued class A, A1, B1, B2, C, D, and E ordinary shares were subdivided so that each had a par value of €0.00001. The shares were subsequently redesignated as Ordinary shares at a par value of €0.00001 per share. Each share has full rights in the Company with respect to voting, dividends and distributions.

Notes to the Company financial statements (continued)

13. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium – represents the amount paid by the shareholders in excess of the Company's share capital nominal value.

Prepaid share reserve – represents the amount received by the Company from its shareholders for the issue of shares which have not yet been allotted.

Capital contribution reserve – represents contributions to the Company from its shareholders, other than in exchange for the issue of equity instruments.

Fair value reserve – represents the fair value movements on the derivative financial instruments accounted for using hedge accounting, net of tax.

Profit or loss account – includes all current and prior period retained profits and losses.

Other reserves related to the value of equity settled share-based payments reported in the Group consolidated financial statements have not been included in the Company as the employees in the plan are not employed by the Company.

14. Subsidiaries

Subsidiaries exempt from the requirements of the Act relating to the audit of individual accounts

A full list of the Company's subsidiary undertakings, all of which are consolidated in these financial statements, are set out in the appendix.

International Schools Partnership Limited has provided a guarantee for the purposes of exemption from audit of individual company accounts under section 479A(2)(a) of the Companies Act 2006 for the following companies:

- Claremont School (St. Leonards) Limited
- International Schools Partnership Services Limited
- ISP Brazil Limited (formerly PIL Brazil Holdings 2 Limited)
- ISP Chile Limited
- ISP Colombia Limited
- ISP Costa Rica Limited
- ISP Dominican Republic Limited
- ISP Ecuador Limited
- ISP India Limited
- ISP Malaysia Limited
- ISP North America Limited
- ISP Peru Limited
- ISP Thailand Limited
- ISP Vietnam Limited
- Oaks International School Limited
- PIL Europe Holdings Limited
- PIL Mexico Holdings 1 Limited
- PIL Mexico Holdings 2 Limited
- PIL Middle East Holdings Limited
- PIL UK Holdings 1 Limited
- PIL UK Holdings 2 Limited
- Temple Cambridge Ltd
-

Notes to the Company financial statements (continued)

15. Ultimate parent undertaking and controlling party

The ultimate parent company is International Schools Partnership I S.à.r.l, a company incorporated and registered in Luxembourg. The immediate parent is Permotio International Learning S.à.r.l, a company incorporated and registered in Luxembourg.

The attached consolidated financial statements are the only financial statements to include the results of the Company.

The ultimate controlling party is Partners Group Access 188 PF LP, a partnership registered and designated in Scotland.

16. Related party transactions

Amounts outstanding at the year-end were as follows:

Trading balances with related parties

(in €000's)	31 August 2023	31 August 2022
Trading balance with immediate parent company	1,313	3,231
Total	**1,313**	**3,231**

Transactions during the year were:

Transactions with related parties

(in €000's)	31 August 2023	31 August 2022
Administrative expenses		
Trading balances with immediate parent company	-	-
Total	-	-

Balances with parent company are amounts held with Permotio International Learning S.à.r.l., the immediate parent company of the Company.

17. Subsequent events

Acquisitions subsidiaries

On 7 October 2023, ISP Morocco Limited (UK resident) was incorporated as a 100% owned subsidiary of International Schools Partnership Limited (UK resident).

On 2 January 2024, ISP Morocco Holdings (Morocco resident) was incorporated as a 100% owned subsidiary of ISP Morocco Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident).

On 4 October 2023, ISP India Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 80% of the share capital of Vivus Education Private Limited (India resident). On 31 October 2023, ISP India Limited acquired 80% of the share capital of Kovai Hills Edinfra Private Limited (India resident). The acquired companies are collectively known as CS Academy amd purchased for total consideration of INR 1,825,000,000.

Notes to the Company financial statements (continued)

17. Subsequent events (continued)

Acquisitions subsidiaries (continued)

On 30 October 2023, ISP Brasil Participacoes LTDS (Brazil resident), a 100% owned subsidiary of ISP Brazil Limited (UK resident), ultimately a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 51% of the share capital of International School Centro de Educação (Brazil resident). On 8 December 2023, ISP Brasil Participacoes acquired the remaining 49% shareholding in the company, for total ownership of 100%. The company was purchased for total consideration of BRL 156,687,000.

On 31 October 2023, ISP CNBH Srl (Dominican Republic resident), an 80% owned subsidiary of ISP Dominican Republic Limited (UK resident), ultimately a 100% owned subsidiary of International Schools Partnership Limited (UK resident), completed the purchase of the trade and assets of Colegio Bilingue New Horizons Srl for total consideration of DOP 1,565,000,000. The consideration was paid during the year and held in a reserve account until a tax ruling was issued. The advance payment has been reported as prepaid consideration in the statement of financial position as at 31 August 2023.

On 5 January 2024, ISP Poland Limited (UK resident), a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Akademeia Educational Group Sp zoo (Poland resident) and its 100% wholly owned subsidiaries Akademeia High School Sp zoo (Poland resident) and Akademeia Operations Sp zoo (Poland resident) and registered foundation Fundacja Akademeia High School. The group was purchased for PLN 153,947,000.

On 20 February 2023, ISP Morocco Holdings (Morocco resident), a 100% owned subsidiary of ISP Morocco Limited (UK resident), ultimately a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Group Charles Peguy, and its 100% wholly owned subsidiaries Graines d'Enfances and Graines d'Elite Prive. The group was purchased for MAD 198,531,000.

The accounting for each of these acquisitions has not been finalised to show the calculation of the goodwill on acquisition.

Borrowings

There has been a total draw down of €9,649,000 and USD125,900,000 from the acquisition facilities to facilitate the post year end acquisitions. The drawdowns occurred on 14 September 2023 for €9,649,000 and USD 46,000,000, 13 October 2023 for USD 32,700,000, and 20 December 2023 for USD 47,200,000.

Of the €80,000,000 drawn on the Revolving Credit Facility at year end, €30,000,000 was repaid on 18 September 2023. An additional €94,000,000 was drawn on the Revolving Credit Facility subsequent to year end, of which €45,000,000 has been repaid.

Share issuance

On 14 September 2023, the Company issued 1 Ordinary share, with a nominal value of €0.00001, at a premium of €106,017,363. The Company further resolved to reduce the share premium account by €106,017,363, with the amount credited to the distributable reserve account.

On 1 February 2024, the Company issued 1 Ordinary share, with a nominal value of €0.00001, at a premium of €30,000,000.

Appendix

List of subsidiaries

Company name	Class of shares held	Percentage of ownership		Registered address
		2023	2022	
4039459 Canada Ltd	Ordinary	100%	100%	1785 Queen Street East, Unit J, Brampton, Ontario, Canada L6T 4S3
Abastecedora Escolar TAF, S.A. de C.V.	Ordinary	100%	100%	Calle Ozumbilla, Mz 99 Lt 117, Los Héroes de Tecámac Sección Bosques. Tecámac, 55764 State of Mexico (Registro Público de la Propiedad de Tlalnepantla, Estado de México)
Administradora de Colegios Pedro de Valdivia SpA	Ordinary	100%	100%	Administradora de Colegios Pedro de Valdivia SpA, Santiago, Chile
Al Nibras International Private School LLC #	Ordinary	49%	49%	PO Box 54084, Dubai, UAE
Ark Holdings SA	Ordinary	100%	100%	Av. de Châtelaine 95A, 1219 Châtelain, Geneva, Switzerland
ASC international House SA	Ordinary	100%	100%	Av. de Châtelaine 95A, 1219 Châtelain, Geneva, Switzerland
Asia Pacific Schools Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Aspen Heights British School LLC ##	n/a	-	-	PO Box 137352, Abu Dhabi, UAE
Aspen Heights Educational Facilities Management Sole Proprietorship LLC ##	n/a	-	-	PO Box 33366, Abu Dhabi, UAE
Bangkok International Preparatory and Secondary School ####	n/a	100%	-	No. 77 Soi Rim Khlong Phra Khanong, Phra Khanong Nuea Sub-District, Vadhana District, Bangkok, 10110, Thailand
Berda Claude International School of Phuket (BCIS) ####	n/a	100%	-	28/29, Moo 4, Chalong sub-district, Mueang Phuket district, Phuket, Thailand
Boston School SA [A]	Ordinary	90%	-	Avenida Paseo del Mar con Calle Vista del Pacífico, Edificio H-51, Costa del Este, Ciudad de Panamá, Panamá
British & International School XXI SLU [A]	Ordinary	100%	-	Calle Padres Dominicos, 1, 2850 Madrid, Spain
British Education Management, S.L. [M]	n/a	-	100%	n/a
British Nursery of Wilanow sp. z.o.o. [A]	Ordinary	90%	-	ul. Ksiedza Prymasa Augusta Hlonda, 12, 02-972 Warsaw, Poland
British Primary School of Wilanow sp. z.o.o. Limited [A]	Ordinary	90%	-	ul. Ksiedza Prymasa Augusta Hlonda, 12, 02-972 Warsaw, Poland
Centro Educacional Escuela Católica Activa, S.A.	Ordinary	100%	100%	Valle del Sol Santa Ana, San José, Pozos, Costa Rica
Centro Studi Alexandria Srl [A]	Ordinary	100%	-	Via Don Luigi Orione 1, 15121 Alessandria, Italy
Centro Studi Superiori Srl [A]	Ordinary	100%	-	Via G.B. Moroni 255, 24127 Bergamo (BG), Italy
Claremont School (St. Leonards) Limited	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
Colegio British Royal School SpA	Ordinary	100%	100%	Av Las Perdices 263, La Reina, Santiago, Chile
Colegio Pedro de Valdivia Las Condes SpA	Ordinary	100%	100%	Av. Las Condes 13349, Las Condes, Chile
Colegio Pedro de Valdivia Peñalolén SpA	Ordinary	100%	100%	Av. Quilín 5473, Peñalolén, Santiago, Chile
Colegio Pedro de Valdivia Providencia SpA	Ordinary	100%	100%	Av. Pedro de Valdivia 1939, Providencia, Santiago, Chile

Appendix (continued)

List of subsidiaries (continued)

Colegio San Jorge de Miraflores S.C.R.L.	Ordinary	100%	100%	Av. General Ernesto Montagne N° 360, Miraflores, Lima – Perú
Colegios Laude, SA	Ordinary	100%	100%	Av. De Europa 24, Puerta A, Bajo A, 28108 Alcobendas, Madrid, Spain
Compania Scolasticomp C. Ltda	Ordinary	100%	100%	San Juan Alto de las Rieles 507 y Av. Simòn Bolivar, Quito- Ecuador
Corporación CLR S.A.C.	Ordinary	100%	100%	Av. General Ernesto Montagne N° 360, Miraflores, Lima – Perú
Ecole Mosaic SA	Ordinary	100%	100%	Avenue Dumas 23, 1206 Geneva, Switzerland
Education Holdings (Thailand) Ltd [A] **	Ordinary	100%	-	1788 Singha Complex, 30th Floor, Unit 3001-3003, 3009-30014, New Phetchaburi Rd., Bang Kapi, Huai Khwant, Bangkok,10310, Thailand
Edumanagement Partners Private Limited [C]	Ordinary	100%	-	Skootr Forest Building, 2nd Flooor, Block C, RMZ Futura, Plot 14 & 15, Phase-2, Hitech City, Hyderabad, Telangana 500081
English College Dubai LLC [A] **	Ordinary	100%	-	PO Box 11812, Al Safa 1, Dubai, United Arb Emirates
English College Holdings Ltd [A]	Ordinary	80%	-	Suite 203, 11, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
Fairmont Empowering Dreams (Shanghai) Cultural Communications Co Ltd [A]	Ordinary	100%	-	Room 2002G, 20th Floor, Donghua Financial Building, No. 28 Maji Road, China (Shanghai) Pilot Free Trade Zone
Fairmont Global Education Services Ltd [A]	Ordinary	100%	-	44/F Edinburgh Tower The Landmark, 15 Queen's Road Central, Hong Kong
Fairmont Schools Inc [A]	Ordinary	100%	-	1575 W. Mable Street, Anaheim, California 92802
Fondcare Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Formación, Educación Y Cultura, S.C. [N]	Ordinary	100%	90%	Calle Heriberto Frías 1401, Colonia del Valle Sur, Alcaldía Benito Juarez, C.P. 03104, Mexico City, Mexico (Registro Público de la Propiedad y del Comercio de la Ciudad de México)
France Family Partners LLP **	Ordinary	100%	100%	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816
Hamilton International Development Limited (formerly known as Marlborough Group Limited)	Ordinary	100%	100%	Mesaimeer 56 - street number 1117, building number 117, Doha, Qatar
Hanoi Toronto Joint Stock Company ##	Ordinary	45.45%	45.45%	3rd floor, Belvedere Building, 28A Trần Hưng Đạo, Phan Chu Trinh ward, Hoan Kiem District, Hanoi city, Vietnam
High School Thomas Jefferson, S.C.	Ordinary	100%	100%	Gardenia 5, Ex-hacienda de Santa Monica, 54050 Tlalnepantla, México
Ilmu Bijak Bestari Sdn. Bhd. ##	n/a	-	-	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Inmobiliaria de Mexico Mes, S.A. de C.V.	Ordinary	100%	100%	Boulevard Miguel Cervantes Saavedra 169, piso 2, Colonia Granda, Alcaldía Miguel Hidalgo C.P. 11520, Mexico City, (Registro Público de la Propiedad y de Comercio de la Ciudad de México)
Inmobiliaria Emibu S.A.	Ordinary	100%	100%	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil - Ecuador
Inmobiliaria Panamericana C.A.	Ordinary	100%	100%	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil - Ecuador

Appendix (continued)

List of subsidiaries (continued)

Inmobiliaria Pel, S.A.	Ordinary	100%	100%	Calle Amores 1620, Colonia Del Valle, Alcaldía Benito Juárez C.P. 03100, Mexico City, (Registro Público de la Propiedad y de Comercio de la Ciudad de México)
Instituto Educativo Moderno De Guayaquil Inemoquil C. Ltda.	Ordinary	100%	100%	Plot No. 4, Km. 2.5 Via Samborondon, Samborondon, Guayas Province, Ecuador
Instituto Thomas Jefferson Company Querétaro, S.C.	Ordinary	100%	100%	Avenida Asteroides 1200, Colonia Rancho Sam Antonio, Municipio de Santiago de Querétaro, Querétaro C.P. 76149 (Registro Público de la Propiedad de Querétaro)
Instituto Thomas Jefferson Guadalajara, S.C.	Ordinary	100%	100%	Vialidad Ramal La Tijera 1753, Municipio de Tlajomulco de Zuñiga, Localidad Las Amapas C.P. 45640 Guadalajara, Jalisco (Registro Público de la Propiedad y de Comercio de Jalisco)
Instituto Thomas Jefferson Valle Real, S.C.	Ordinary	100%	100%	Avenida Prolongación Jesús 3451, Colonia Los Girasoles Municipio de Zapopan Guadalajara, Jalisco, C.P. 45130 (Registro Público de la Propiedad y de Comercio de Jalisco)
International Parents Trust, LLC	Ordinary	100%	100%	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816
International Schools Partnership Services Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
Inversiones La Colina MCM, S.A.S.	Ordinary	100%	100%	La Calera, Cundinamarca, Colombia
Ipoh International School Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
ISP Baton Rouge, Inc.	Ordinary	100%	100%	1209 Orange Street, Wilmington, Delaware 19801
ISP Bellevue Inc.	Ordinary	100%	100%	14640 NE 24TH Street, Bellevue, Washington, 98007
ISP Brasil Participacoes LTDS [C]	Ordinary	100%	-	Rua Gil Eneas, 640, parte, Brooklin Novo, Sao Paulo, 04061-042, Brazil
ISP Brazil Limited (formerly PIL Brazil Holdings 2 Limited)	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Broward Holdings LLC	Ordinary	100%	100%	1200 South Pine Island Road, Plantation, Florida 33324
ISP Broward LLC	Ordinary	100%	100%	1200 South Pine Island Road, Plantation, Florida 33324
ISP CBNH Srl [C]	Ordinary	80%	-	Avenida Sarasota No. 51, Santo Domingo, Distrito Nacional
ISP Chile Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Chile SpA	Ordinary	100%	100%	5561 Oficina 401, Las Condes, Santiago Chile
ISP Colombia Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Colombia SAS	Ordinary	100%	100%	La Calera, Cundinamarca, Colombia
ISP Costa Rica Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Dominican Republic Limited * [C]	Ordinary	100%	-	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP East Cost Holdings Inc	Ordinary	100%	100%	1209 Orange Street, Wilmington, Delaware 19801
ISP Ecuador Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom

Appendix (continued)

List of subsidiaries (continued)

ISP Holdings 1 Ltd [C] **	Ordinary	100%	-	1788 Singha Complex, 30th Floor, Unit 3001-3003, 3009-30014, New Phetchaburi Rd., Bang Kapi, Huai Khwant, Bangkok,10310, Thailand
ISP Holdings 2 Ltd [C] **	Ordinary	100%	-	1788 Singha Complex, 30th Floor, Unit 3001-3003, 3009-30014, New Phetchaburi Rd., Bang Kapi, Huai Khwant, Bangkok,10310, Thailand
ISP Holdings 3 Ltd [C] ###	Ordinary	49%	-	1788 Singha Complex, 30th Floor, Unit 3001-3003, 3009-30014, New Phetchaburi Rd., Bang Kapi, Huai Khwant, Bangkok,10310, Thailand
ISP India Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Kehoe Holdings LLC	Ordinary	95%	95%	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816
ISP Malaysia Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP North America Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Peru Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Poland Limited [C]	Ordinary	100%	-	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP Portugal S.A. [C]	Ordinary	100%	-	Rua Latino Coelho, 87 Lisboa, Portugal
ISP Thai Holdings Ltd **	Ordinary	100%	-	1788 Singha Complex, 30th Floor, Unit 3001-3003, 3009-30014, New Phetchaburi Rd., Bang Kapi, Huai Khwant, Bangkok,10310, Thailand
ISP Thailand Limited [C] *	Ordinary	100%	-	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP US Holdings Inc	Ordinary	100%	100%	1209 Orange Street, Wilmington, Delaware 19801
ISP US Management Co.	Ordinary	100%	100%	1200 South Pine Island Road, Plantation, Florida 33324
ISP Vietnam Joint Stock Company	Ordinary	100%	100%	O2 land plot, Tay Ho Tay New Urban Area, Xuan Tao Ward, Bac Tu Liem District, Hanoi City, Vietnam
ISP Vietnam Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
ISP West Coast Holdings Inc	Ordinary	100%	100%	160 Greentree Drive, Suite 101, Dover, Delaware 19904
Kehoe-France Day Camp, Inc. **	Ordinary	100%	100%	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816
Kehoe-France Inc. **	Ordinary	100%	100%	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816
KK Straits International Education Group Sdn. Bhd	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Laro CG LLC	Ordinary	100%	100%	3000 Wachovia Financial Center, 200 South Biscayne Blvd, Miami, FL 33131, USA
Liceo Panamericano LPSA S.A.	Ordinary	100%	100%	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil, Ecuador
Lynn Rose Corp	Ordinary	100%	100%	181 Bay Street, Suite 2100, Toronto, M5J2T3
Lynn-Rose College Inc.	Ordinary	100%	100%	181 Bay Street, Suite 2100, Toronto, M5J2T3
Magafe 2 Srl	Ordinary	100%	100%	Via Francesco Olgiati, 14, 20143 Milan, Italy
Manthan Educational Solutions Private Limited [A]	Ordinary	100%	-	Skootr Forest Building, 2nd Flooor, Block C, RMZ Futura, Plot 14 & 15, Phase-2, Hitech City, Hyderabad, Telangana 500081

Appendix (continued)

List of subsidiaries (continued)

Manthan Educational Society [A] ##	n/a	-	-	Ramachandrapuram mandal, Sangareddy District. Hyderabad, Telangana 502032
Mile Srl	Ordinary	100%	100%	Via Francesco Olgiati, 14. 20143 Milan. Italy
Muntazeh English School SPC (Park House English School)	Ordinary	100%	100%	Bou Hamour 56. Mesaimeer Street, building number 43, Doha, Qatar
Oaks International School Limited	*Ordinary*	*100%*	*100%*	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
Núcleo Educacional Moema S/S Ltda [A]	Ordinary	90%	-	Viera de Morais Street, 177 - Campo Belo, San Paulo. 04617-010. Brazil
Permotio Consultancy DWC Dubai Branch	Ordinary	100%	100%	PO Box 54084. Dubai. UAE
Permotio Consultancy DWC LLC	Ordinary	100%	100%	PO Box 54084. Dubai. UAE
Phuket International Education Centre Co Ltd [A] **	Ordinary	100%	-	1788 Singha Complex, 30th Floor, Unit 3001-3003, 3009-30014, New Phetchaburi Rd., Bang Kapi, Huai Khwant, Bangkok,10310, Thailand
Pictos SAPI de CV	Ordinary	100%	100%	Boulevard Miguel Cervantes Saavedra 169, piso 2, Colonia Granda, Alcaldia Miguel Hidalgo C.P. 11520, Mexico City (Registro Público de la Propiedad y de Comercio de la Ciudad de México)
PIL (Dubai) SPC 1 Ltd ##	n/a	-	-	PO Box 54084, Dubai. UAE
PIL Europe Holdings Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
PIL Mexico Holdings 1 Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
PIL Mexico Holdings 2 Limited	*Ordinary*	*100%*	*100%*	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
PIL Middle East Holdings Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
PIL UK Holdings 1 Limited *	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
PIL UK Holdings 2 Limited	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
Promouvoir Management Consultancy LLC [D]	n/a	-	49%	n/a
Reach British School LLC ##	n/a	-	-	Baniyas East, PO Box 12986, Abu Dhabi, UAE
River Forest Partners LLC **	Ordinary	100%	100%	3867 Plaza Tower Drive. Baton Rouge, Louisiana 70816
Riviera Preparatory School Holdings, LLC	Ordinary	100%	100%	3000 Wachovia Financial Center, 200 South Biscayne Blvd. Miami. FL 33131. USA
Rodríguez y Maulén Educacional SpA	Ordinary	100%	100%	Rodríguez y Maulén Educacional SpA Santiago, Chile
Rowntree Montessori Shools Inc	Ordinary	100%	100%	182 Bay Street, Suite 2100, Toronto, M5J2T3
SG Straits International Education Group Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
SMAerocity Eduserve Private Limited [C]	Ordinary	75%	-	The Executive Centre, Salarpuria Sattva, Knowledge City, 7/3B, Octave Block, Hyderabad, Telangana, India, 500081
St. Mary's Edumanagement Services Priviate Limited	Ordinary	75%	75%	The Executive Center, Level 7, Octave 3 B, Salarpuria Sattva Knowledge City, Hitech City, PO Box 500081, Hyderabad, India
St. Mary's Society ##	n/a	-	-	The Executive Center, Level 7, Octave 3 B, Salarpuria Sattva Knowledge City, Hitech City, PO Box 500081, Hyderabad, India
Star International School LLC **	Ordinary	100%	100%	Al Twar School, 7th Street, Al Twar 2, Dubai, UAE

Appendix (continued)

List of subsidiaries (continued)

Star Schools Holding Limited	Ordinary	80%	80%	2462 ResCowork01, 24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
Straits International Education Group Sdn Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Systems Little House Ltd ^ **	Ordinary	75%	-	23, Soi Sukhumvit 53 (Paidi Madi), Sukhumvit Road, Khlong Tan Nuea Sub-District, Vadhana District, Bangkok, 10110, Thailand
Temple Cambridge Limited	Ordinary	100%	100%	7th Floor 280 Bishopsgate, London, EC2M 4RB, United Kingdom
Tenby Aman Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tenby Ecohill Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tenby Educare SDN. BHD.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tenby Education Sdn. Bhd. ##	n/a	-	-	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tenby Labuan Foundation ##	n/a	-	-	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia
Tenby Rawang Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tenby Southern Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tenby World Sdn. Bhd.	Ordinary	100%	100%	Level 13A-6, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lumpur, Wilayah Persekutuan, Malaysia
The Aquila School Owned by Shaikh Mohammed Maktoum Juma Al Maktoum One Person Company LLC (Aquila) ##	n/a	-	-	PO Box 26540, Dubai, UAE
The Hamilton International School LLC #	Ordinary	49%	49%	Mesaimeer 56 - street number 1117, building number 117, Doha, Qatar
Thomas Jefferson Zona Esmeralda TJZE, S.C.	Ordinary	100%	100%	Jorge Jiménez Cantú 1, Hacienda de Valle Escondido, 52937 Cdad. López Mateos, México
Tienda Cincuenta Aniversario, S.A.	Ordinary	100%	100%	Costa Rica, San Jose, Santa Ana, Pozos, one and a half kilometers west from Banco DAVIVIENDA
Torpequil Inmobiliaria Torpimob S.A.	Ordinary	100%	100%	La Moderna Street, plot 3-1, Samborondon - Ecuador
VietEd Vision Joint Stock Company	Ordinary	100%	100%	#712, Belvedere Building, 28A Trần Hưng Đạo, Phan Chu Trinh ward, Hoan Kiem District, Hanoi City, Vietnam
Young Explorers Educational Services Inc.	Ordinary	100%	100%	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3

Appendix (continued)

List of subsidiaries (continued)

*	The entities are direct subsidiaries of the Company, all others are indirectly held.	
**	The entities are held indirectly by a subsidiary of the Company that is not 100% owned by the Group. The indirect percentage of ownership is:	
	- Kehoe-France Day Camp, Inc.	95.00%
	- Kehoe-France Inc.	95.00%
	- France Family Partners LLP	95.00%
	- River Forest Partners LLC	95.00%
	- English College Dubai LLC	80.00%
	- Star International School LLC	80.00%
	- ISP Holdings 1 Ltd	73.99%
	- ISP Holdings 2 Ltd	73.99%
	- ISP Thai Holdings Ltd	73.99%
	- Education Holdings (Thailand) Ltd	73.99%
	- Phuket International Education Centre Co Ltd	73.99%
	- Systems Little House Ltd	68.42%
A	The entities were acquired during the year. Refer to note 29 for further information.	
C	The entities were incorporated during the year.	
D	The entity was liquidated during the year.	
M	The entity was merged with Colegios Laude, SA during the year.	
N	The Group acquired the remaining 10% shareholding from the non-controlling shareholder on 8 September 2022.	
#	Although the Group owns indirectly less than half of the shares of these entities, the Group controls them by virtue of agreement with the companies' other shareholders whereby the Group exercises management control over the entities.	
##	The Group does not own equity interest in the entities but controls and operates them through contractual arrangements.	
###	The Group holds majority of the board seats, owns equity interest and operates the company through a contractual arrangement.	
####	Entity is registered as a school juristic person under the Thailand Private School Act, separate from its parent entity	