



# Annual report and financial statements Southampton Global Limited

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For the year ended 31 August 2020



Company no. 10112318

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## Directors' report

The directors present their report and the unaudited financial statements of the company for the year ended 31 August 2020.

### Results and dividends

The loss for the financial year amounted to £22,000 (2019: £165,000 loss). No dividends were paid during the year (2019: £nil).

### Going concern

After making enquiries, the directors have a reasonable expectation that the group into which the company is consolidated has adequate resources to continue in operational existence for the foreseeable future within the level of existing facilities and to meet long term liabilities as they fall due. The parent has indicated it will continue to provide financial support for a period at least 12 months from the date these financial statements were approved. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### Business review and future developments

The directors consider the results satisfactory and foresee further growth in the coming year.

### Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

M Ioakimides	Resigned 11 November 2019
D Johnston	Appointed 11 November 2019
P Symes	Resigned 11 November 2019
B Webb	

### Statement of directors' responsibilities

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

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

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Audit exemption**

The company has claimed exemption from audit under section 479A of the Companies Act 2006 for the financial year ended 31 August 2020. The immediate parent company, CEG Digital Limited, has given a statement of guarantee under section 479C of the Companies Act 2006, whereby CEG Digital Limited will guarantee all outstanding liabilities to which the company is subject as at 31 August 2020.

**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

On behalf of the board



D Johnston  
Director

29<sup>th</sup> January 2021

## Income statement

For the year ended 31 August 2020

	2020 £'000	2019 £'000
<b>Revenue</b>	275	194
Cost of sales	(90)	(76)
<b>Gross profit</b>	<u>185</u>	<u>118</u>
Administrative expenses	(237)	(301)
<b>Loss before taxation</b>	<u>(52)</u>	<u>(183)</u>
Tax on loss	30	18
<b>Loss for the financial year</b>	<u><u>(22)</u></u>	<u><u>(165)</u></u>

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

## Statement of comprehensive income

For the year ended 31 August 2020

	2020 £'000	2019 £'000
<b>Loss for the financial year</b>	<u>(22)</u>	<u>(165)</u>
<b>Total comprehensive expense for the year</b>	<u><u>(22)</u></u>	<u><u>(165)</u></u>

**The accompanying notes form part of these financial statements.**

## Statement of financial position

As at 31 August 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	6	119	156
Tangible assets	7	-	1
		<u>119</u>	<u>157</u>
<b>Current assets</b>			
Debtors	8	58	35
Cash at bank and in hand		78	16
		<u>136</u>	<u>51</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(956)</u>	<u>(887)</u>
<b>Net current liabilities</b>		<u>(820)</u>	<u>(836)</u>
<b>Total assets less current liabilities</b>		<u>(701)</u>	<u>(679)</u>
<b>Net liabilities</b>		<u>(701)</u>	<u>(679)</u>
<b>Capital and reserves</b>			
Called-up share capital		-	-
Accumulated losses		<u>(701)</u>	<u>(679)</u>
<b>Total equity</b>		<u>(701)</u>	<u>(679)</u>

The members have not required the company to obtain an audit for the financial year ended 31 August 2020 in accordance with section 476 of the Companies Act 2006.

The company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

These financial statements on pages 5 to 16 were approved by the directors and authorised for issue on 29 January 2021 and are signed on their behalf by:



D Johnston  
 Director  
 Company registration number: 10112318

**The accompanying notes form part of these financial statements.**

## Statement of changes in equity

For the year ended 31 August 2020

	<b>Called-up share capital £'000</b>	<b>Accumulated losses £'000</b>	<b>Total equity £'000</b>
<b>At 1 September 2018</b>	-	<b>(514)</b>	<b>(514)</b>
Loss for the financial year	-	(165)	(165)
Total comprehensive expense for the financial year	-	(165)	(165)
<b>At 31 August 2019</b>	-	<b>(679)</b>	<b>(679)</b>
Loss for the financial year	-	(22)	(22)
Total comprehensive expense for the financial year	-	(22)	(22)
<b>At 31 August 2020</b>	-	<b>(701)</b>	<b>(701)</b>

**The accompanying notes form part of these financial statements.**

## Notes to the financial statements

### **1 General information**

Southampton Global Limited ("the company") is a private company limited by shares, and incorporated in England, United Kingdom under the Companies Act 2006. The address of the registered office, which is also the principal place of business, is 53-53 Hills Road, Cambridge, CB2 1NT. The principal activity of the company is the provision of online and blended learning courses.

### **2 Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards including "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102 Section 1A" applicable to small entities) and the Companies Act 2006 (including part 15 special provisions for small companies).

### **3 Summary of significant accounting policies**

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

#### **a) Basis of preparation**

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

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **b) Going concern**

The group of which the company is a part meets its day-to-day working capital requirements through its banking facilities and cash held. The directors have prepared both detailed budgets and long-term forecasts for the group, taking account of reasonably possible changes in trading performance. After making enquiries, the directors have a reasonable expectation that both the group and company have adequate resources to continue in operational existence for the foreseeable future, within the level of existing facilities and to meet long term liabilities as they fall due. The company therefore continues to adopt the going concern basis in preparing its financial statements.



## Notes to the financial statements (continued)

### c) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions are recognised in the income statement.

Monetary assets and liabilities in foreign currencies are translated into the functional currency of pounds sterling at the rates of exchange ruling at the balance sheet date. Gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement. All other foreign exchange gains and losses are presented in the income statement within administrative expenses.

### d) Revenue

Revenue is stated net of VAT (if applicable) and is recognised when the significant risks and rewards are considered to have transferred to the buyer.

Revenue shown in the income statement represents amounts receivable in respect of the provision of online and blended educational courses and is recognised as the performance of those services occurs.

Where a contract has only been partially completed at the balance sheet date, revenue represents the fair value of the services provided to date, based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, those amounts are recorded as deferred income or, if potentially refundable within the terms of the contract, as other creditors, both as part of creditors due within one year.

### e) Interest

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

### f) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

The group of which the company is a part operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into an arrangement separate from the group. Once the contributions have been paid, the group has no further payment obligations. The contributions are recognised as an expense when they are due. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

The company operates a number of annual bonus plans for employees. An expense is recognised in the income statement when the group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

## Notes to the financial statements (continued)

### g) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts to be paid to the tax authorities.

### h) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### i) Intangible assets

Intangible assets are non-monetary assets without physical substance which are separable or arise from contractual or other legal rights.

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

Development costs that are directly attributable to the design and testing of identifiable academic courses controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the academic course development so that it will be available for use;
- management intends to complete the academic course development and use or sell it;
- there is an ability to use or sell the academic course and materials;
- it can be demonstrated how the academic course will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the academic software are available; and
- the expenditure attributable to the academic course during the development can be reliably measured.

Costs associated with maintaining academic courses are recognised as an expense as incurred.

### j) Amortisation

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of intangible assets to their residual values over their estimated useful economic lives, as follows:

Curriculum development	5 year straight line
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Amortisation is charged to administrative expenses in the income statement.

Where factors, such as technological advancement or changes in market price, indicates that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

## Notes to the financial statements (continued)

### k) **Tangible assets**

Tangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the group and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

### l) **Depreciation and residual values**

Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual value, over the useful economic life of those assets as follows:

Plant and equipment	15% - 25% straight line
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The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively.

### m) **Impairment of non-financial assets**

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of assets. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the income statement unless the asset is carried at revalued amount where impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent year if and only if the reasons for impairment loss have ceased to apply.

### n) **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

### o) **Current debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

## Notes to the financial statements (continued)

### p) Financial instruments

Basic financial assets, including other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Financing transactions are measured at the present value of the future receipts discounted at the market rate of interest and are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Basic financial liabilities, including amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at present value of the future receipts discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of 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 of 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.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities then trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Dividends and other distributions to the company's shareholders are recognised as a liability in the year in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

## Notes to the financial statements (continued)

### 4 Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are described below.

#### Impairment of intangible assets

The company considers whether intangible assets are impaired. This estimate is based on a variety of factors such as expected useful life of the assets, expected useful life of cash generating units to which the assets are attributed, and any legal, regulatory or contractual provisions that can limit useful life and assumptions. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flow from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

#### Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. The net carrying amount of the debtors and the associated impairment provision are given in note 8.

#### Taxation

The company establishes provisions based on reasonable estimates of direct and indirect tax rates, and where relevant for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that is recognised, based upon likely timing and level of future taxable profits together with an assessment of the tax rates that will be applicable in future and the effect of future tax planning strategies.

### 5 Average number of employees

	2020	2019
	No.	No.
The average number of persons employed was:	<u>1</u>	<u>1</u>

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

## Notes to the financial statements (continued)

### 6 Intangible assets

	Curriculum development £'000
Cost:	
At 1 September 2019	312
Additions	27
At 31 August 2020	339
Accumulated amortisation:	
At 1 September 2019	156
Charge for the year	64
At 31 August 2020	220
Net book value at 31 August 2020	119
Net book value at 31 August 2019	156

### 7 Tangible assets

	Plant & equipment £'000
Cost:	
At 1 September 2019	2
Additions	-
At 31 August 2020	2
Accumulated depreciation:	
At 1 September 2019	1
Charge for the year	1
At 31 August 2020	2
Net book value at 31 August 2020	-
Net book value at 31 August 2019	1

## Notes to the financial statements (continued)

### 8 Debtors

	2020 £'000	2019 £'000
Trade debtors	6	1
Amounts owed by group undertakings	-	10
Prepayments and accrued income	52	24
	<u>58</u>	<u>35</u>

Trade debtors are not impaired.

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

### 9 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	24	7
Amounts owed to group undertakings	781	777
Accruals	49	28
Deferred income	77	57
Other taxation and social security	25	18
	<u>956</u>	<u>887</u>

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

### 10 Related party transactions

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

## Notes to the financial statements (continued)

### **11 Ultimate controlling party**

The immediate parent company is CEG Digital Limited, a company incorporated in the United Kingdom.

The ultimate parent company is Camelot Topco Limited, a company incorporated in the United Kingdom with a registered office at the same address as that of the company, as shown in note 1.

CEG Digital Limited is the parent company of the smallest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Copies of those consolidated financial statements may be obtained from the address given in note 1.

Camelot Topco Limited is the parent undertaking of the largest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Copies of the consolidated financial statements may be obtained from the address given in note 1.

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