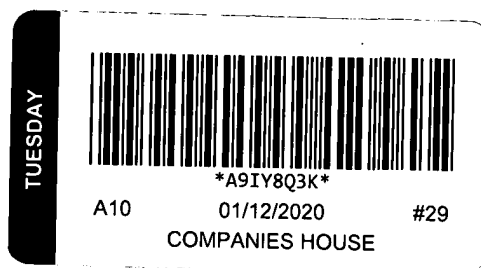


DE EUROPE GROUP HOLDING LTD.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019



DE EUROPE GROUP HOLDING LTD.

COMPANY INFORMATION

Directors	K Campbell B Shaw H Lewis
Company number	11255619
Registered office	1 Lyric Square London W6 ONB
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

DE EUROPE GROUP HOLDING LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

The directors continue to look for new international opportunities in order to ensure long term stability and growth for the Group. To this end, the group have actively increased the size of the international team in the year. The directors also ensure that new and evolving content is continually added to the service in order to keep the product up to date and competitive on the open market.

The directors monitor the growth of the business by reference to certain key financial and non-financial performance indicators. Financial indicators include revenues and earnings before interest, tax, depreciation and amortisation and non-recurring expenses. The Group's key financial performance indicators during the year were as follows:

	2019	2018
	£'000	£'000
Turnover	10,911	9,214
EBITDA*	(8,820)	2,643

*EBITDA is calculated as the operating loss of £4,649,775 plus the depreciation £78,902 amortisation £3,412,868 and redundancy costs of £678,785.

Non-financial indicators include the number of schools under contract, subscription renewal rates, average contract length, delivery method split, average price achieved, lead conversion rates, professional development (PD) sessions delivered and usage of the service at school level. All these are monitored and reviewed separately for each service.

Principal risks and uncertainties

Risks are formally reviewed by management and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

The key business risks affecting the Group are set out below:

Business Risk

Within the UK market schools continue to express concern about funding levels and with uncertainty around the corona virus. The Company looks to engage regularly and deeply with schools and teachers in order to demonstrate the value inherent in the various services and hence maximise subscription renewal rates. Where possible the Company also looks to sign multiyear subscription deals to further improve retention rates, and also looks to identify bulk partners to work with such as Academy chains. With a level of uncertainty about the UK market, the Company also continues to focus on international opportunities, and is currently working on long-term projects in multiple markets across the world. Within the UK the Company is also developing corporate partnerships within the education sector as a way of further impacting education and encouraging digital learning.

DE EUROPE GROUP HOLDING LTD.

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial risks

The Group uses various financial instruments including cash and various other items such as trade debtors and trade creditors that arise from operations for the purpose of financing the Group's operations. The existence of these financial instruments exposes the Group to certain financial risks, including credit risk and liquidity risk.

The Group's principal credit risk arises from trade debtors. In order to manage and mitigate credit risk the business has set credit limits for customers and monitors these limits in conjunction with payment history. Historical credit risk and associated write-off has been low, given the nature of the customer base and the necessity of dealing on a school-by-school basis.

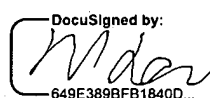
Strategy

2019 was a further year of consolidation for the Group in its core UK market, with the focus on the Espresso and Coding services at primary level. New modules are continually added to the flagship Discovery Education Espresso service, making use of high-quality content from Discovery channels as well as other media companies. The Discovery Education Coding service was developed further in response to an increasing volume of international opportunities.

The Group delivered across several large multi-year education contracts in International markets during 2019. Resources were increased in the UK operation in order to fulfil, although it's worth noting these opportunities tend to be lower margin than the UK subscription business and revenues often invoiced from other group companies.

The owners have indicated that they will continue to invest in the UK market by way of introducing new products like Health and Relationship as an additional revenue stream launching in Q2 2020. Product upgrade are underway to upgrade the existing Coding 2.0 will include additional languages like Arabic, Spanish, Chinese and Swedish. In addition, the owners will continue to look for International opportunities.

On behalf of the board

DocuSigned by:

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H Lewis
Director

Date 27 November 2020

DE EUROPE GROUP HOLDING LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the period ended 31 December 2019.

Principal activities

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

K Campbell

B Shaw

W Lock

H Lewis

(Appointed 4 November 2019)

(Resigned 3 November 2019)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. Thus, they adopt the going concern basis in preparing the financial statements.

With regard to Covid-19 Discovery Education has continued to operate on a business as usual basis, other than all staff have been home based. DEEG have not needed to utilise the government support schemes with the exception of deferred VAT payment. Covid-19 has impacted channel partners' ability to sell and slowed down new business decisions in UK due to uncertainty and concerns around macroeconomic impact of the pandemic. School have been required to spend significant amount of time managing health and safety which has impacted the group sales.

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

649E389BFB1840D...
H Lewis
Director

Date *27 November 2020*

DE EUROPE GROUP HOLDING LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report and 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 group and company, and of the profit or loss of the group for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DE EUROPE GROUP HOLDING LTD.

Opinion

We have audited the financial statements of DE Europe Group Holding Ltd. (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DE EUROPE GROUP HOLDING LTD. (CONTINUED)

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors 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 for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Christopher Tate (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom
27 November 2020

DE EUROPE GROUP HOLDING LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

		Year ended 31 December 2019 £	Period ended 31 December 2018 £
	Notes		
Turnover	3	10,910,839	9,214,350
Cost of sales		(3,228,595)	(3,760,403)
Gross profit		<u>7,682,244</u>	<u>5,453,947</u>
Administrative expenses		(12,332,019)	(5,537,185)
Operating loss	6	<u>(4,649,775)</u>	<u>(83,238)</u>
Interest receivable and similar income	8	-	5,140
Interest payable and similar expenses	9	(1,976)	(5,148)
Loss before taxation		<u>(4,651,751)</u>	<u>(83,246)</u>
Tax on loss	10	192,178	94,368
Profit for the financial period		<u>(4,459,573)</u>	<u>11,122</u>

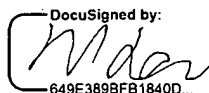
Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

DE EUROPE GROUP HOLDING LTD.**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2019**

	Notes	£	2019 £	£	2018 £
Fixed assets					
Goodwill	12		28,368,340		31,651,207
Tangible assets	13		184,051		113,293
			<u>28,552,391</u>		<u>31,764,500</u>
Current assets					
Debtors	17	6,512,016		8,414,554	
Cash at bank and in hand		368,888		1,278,371	
		<u>6,880,904</u>		<u>9,692,925</u>	
Creditors: amounts falling due within one year	18	(8,925,390)		(10,444,910)	
Net current liabilities			(2,044,486)		(751,985)
Total assets less current liabilities			<u>26,507,905</u>		<u>31,012,515</u>
Provisions for liabilities	20		(145,310)		(190,348)
Net assets			<u>26,362,595</u>		<u>30,822,167</u>
Capital and reserves					
Called up share capital	23		100		100
Share premium account	24		30,810,945		30,810,945
Profit and loss reserves	24		(4,448,452)		11,122
Total equity			<u>26,362,593</u>		<u>30,822,167</u>

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020 and are signed on its behalf by:

DocuSigned by:

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H Lewis

Director

Company Registration No. 11255619

DE EUROPE GROUP HOLDING LTD.

COMPANY STATEMENT OF FINANCIAL POSITION

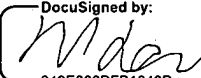
AS AT 31 DECEMBER 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Investments	14		42,397,965		42,397,965
Current assets					
Cash at bank and in hand		100		100	
Creditors: amounts falling due within one year	18	(11,587,020)		(11,587,020)	
Net current liabilities			(11,586,920)		(11,586,920)
Total assets less current liabilities			30,811,045		30,811,045
Capital and reserves					
Called up share capital	23		100		100
Share premium account	24		30,810,945		30,810,945
Total equity			30,811,045		30,811,045

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was (2018: nil).

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020 and are signed on its behalf by:

H Lewis
Director

DocuSigned by:

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DE EUROPE GROUP HOLDING LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Period ended 31 December 2018:					
Profit and total comprehensive income for the period		-	-	11,122	11,122
Issue of share capital	23	100	30,810,945	-	30,811,045
Balance at 31 December 2018		<u>100</u>	<u>30,810,945</u>	<u>11,122</u>	<u>30,822,167</u>
Year ended 31 December 2019:					
Profit and total comprehensive income for the period				(4,459,573)	(4,459,573)
Balance at 31 December 2019		<u>100</u>	<u>30,810,945</u>	<u>(4,448,451)</u>	<u>(26,362,594)</u>

DE EUROPE GROUP HOLDING LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Total £
Period ended 31 December 2018:				
Profit and total comprehensive income for the period		-	-	-
Issue of share capital	23	100	30,810,945	30,811,045
Balance at 31 December 2018		<u>100</u>	<u>30,810,945</u>	<u>30,811,045</u>
Year ended 31 December 2019:				
Profit and total comprehensive income for the period				
Balance at 31 December 2019		<u>100</u>	<u>30,810,945</u>	<u>30,811,045</u>

DE EUROPE GROUP HOLDING LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	£	2019 £	£	2018 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	25		(631,799)		11,895,804
Interest paid			1,976		(5,148)
Income taxes paid			-		(283,439)
Net cash inflow/(outflow) from operating activities			<u>(629,823)</u>		<u>11,607,217</u>
Investing activities					
Purchase of business		(130,000)		(41,081,845)	
Purchase of tangible fixed assets		(149,660))		(63,197)	
Other investments and loans made				11	
Interest received				5,140	
Net cash used in investing activities			<u>(279,660)</u>		<u>(41,139,891)</u>
Financing activities					
Proceeds from issue of shares				30,811,045	
Net cash generated from/(used in) financing activities				<u>30,811,045</u>	<u>30,811,045</u>
Net increase in cash and cash equivalents			<u>(909,483)</u>		<u>1,278,371</u>
Cash and cash equivalents at beginning of period			1,278,371		-
Cash and cash equivalents at end of period			<u>368,888</u>		<u>1,278,371</u>

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

DE Europe Group Holding Ltd. ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 1 Lyric Square, London, W6 0NB.

The group consists of DE Europe Group Holding Ltd. and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are included within these consolidated financial statements of DE Europe Group Holding Ltd.

The principal accounting policies adopted are set out below.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of DE Europe Group Holding Ltd. and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

With regard to Covid-19 Discovery Education has continued to operate on a business as usual basis, other than all staff have been home based. DEEGHL have not needed to utilise the government support schemes with the exception of deferred VAT payment. Covid-19 has impacted channel partners' ability to sell and slowed down new business decisions in UK due to uncertainty and concerns around macroeconomic impact of the pandemic. School have been required to spend significant amount of time managing health and safety which has impacted the group sales.

The directors have received confirmation of the continued support from the parent company, Discovery Education Inc, who have confirmed their willingness to provide financial support to the Company to ensure it can meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements for the year ending 31 December 2019.

Reporting period

These are the second set of financial statements of DE Europe Group Holding Ltd., prepared for the year ended 31 December 2019. The comparative period is the 9 month period from 14 March 2018 to 31 December 2019.

Turnover

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Turnover represents amounts charged to customers, net of VAT, and at the fair value of the consideration received or receivable when the product has been delivered and all the Groups contractual obligations have been met.

Turnover is recognised as follows:

- Digital subscription turnover is recognised proportionately over the period of the contract (either annual or multi-year contracts). New business subscription turnover is also recognised in instalments over the relevant period of the contract. This is the vast majority of the Company's turnover;
- Training turnover is recognised when the service has been invoice and delivered to the customer. If a multi-day contract, a value is assigned to each day and recognised on delivery of that individual day or part-day;
- Commissioned content turnover is recognised when the content module is complete and made available to the customer;
- Hard goods turnover is recognised when the goods have been delivered to the customer;
- Any turnover relating to installation of servers hosting content is recognised when the server has been supplied and installation is complete; and
- International turnover for licensing deals is recognised on delivery of assets and once all obligations to the customer have been discharged.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Other intangible assets are intellectual property rights which comprise externally acquired licenses, external costs relating to internally generated digital content and technology.

Long term content license contracts are capitalised as an intangible asset and the total contract value amortised over the useful economic life of each asset, judged on a contract by contract basis. The useful economic life is periodically assessed and revised in the light of any change in circumstances.

The third party cost relating to internally generated digital content and technology is recognised as an intangible asset and is subsequently measured and amortised in the same way as externally acquired licenses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Other intangible assets	3 to 7 years
-------------------------	--------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 to 10 years
Fixtures and fittings	5 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the group to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue	2019	2018
	£	£
Turnover analysed by class of business		
Subscriptions	8,139,887	6,870,841
Commissioned content	410,741	323,082
Training	47,023	8,352
Other	2,313,187	2,012,075
	<u>10,910,838</u>	<u>9,214,350</u>
Other revenue		
Interest income	-	5,140
	<u>-</u>	<u>5,140</u>
Turnover analysed by geographical market		
United Kingdom	8,597,651	6,837,678
Turnover attributable outside the UK	2,313,187	2,376,672
	<u>10,910,838</u>	<u>9,214,350</u>

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

4 Directors' remuneration

There has been no directors remuneration paid by any group companies during the year and no directors are accruing pension contributions at the year end.

5 Employees

The average monthly number of persons (including directors) employed during the period was:

	Group 2019 Number	Company 2019 Number	Group 2018 Number	Company 2018 Number
Administration	66	-	60	-
	<u>66</u>	<u>-</u>	<u>60</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Wages and salaries	4,401,044	-	2,902,307	-
Social security costs	559,057	-	276,797	-
Pension costs	256,245	-	142,003	-
	<u>5,216,346</u>	<u>-</u>	<u>3,321,107</u>	<u>-</u>

6 Operating loss

	2019 £	2018 £
Operating loss for the period is stated after charging:		
Exchange losses	167,692	41,005
Depreciation of owned tangible fixed assets	78,902	60,080
Amortisation of intangible assets	3,412,868	2,419,144
Impairment of intangible assets	-	280,771
Operating lease charges	337,246	249,139

7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	<u>50,000</u>	<u>50,000</u>

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8	Interest receivable and similar income	2019	2018
		£	£
	Interest income		
	Interest on bank deposits	-	5,140
		<u></u>	<u></u>
9	Interest payable and similar expenses	2019	2018
		£	£
	Other interest on financial liabilities	1,976	5,148
		<u></u>	<u></u>
10	Taxation	2019	2018
		£	£
	Deferred tax		
	Origination and reversal of timing differences	(192,178)	(94,368)
	The total tax (credit)/charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:		
	Loss before taxation	(4,651,751)	(83,246)
		<u></u>	<u></u>
	Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(246,331)	(15,817)
	Tax effect of expenses that are not deductible in determining taxable profit	3,366	4,048
	Adjustment to brought forward values	-	(652,719)
	Permanent capital allowances in excess of depreciation	1,289	3,131
	Deferred tax not recognised	-	(3,285)
	Impact of changes in rate of DT	30,639	10,715
	Other tax adjustments	19,039	559,559
	Taxation credit	<u>(191,998)</u>	<u>(94,368)</u>
11	Impairments	2019	2018
		£	£
	Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:		
	In respect of:		
	Intangible assets (note 12)	-	280,771
		<u></u>	<u></u>
	Recognised in:		
	Administrative expenses	-	280,771
		<u></u>	<u></u>
	The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.		

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Intangible fixed assets

Group	Goodwill £	Other intangible assets £	Total £
Cost			
At 31 December 2018	33,912,008	439,114	34,351,122
Additions		130,000	130,000
At 31 December 2019	33,912,008	569,114	34,481,122
Amortisation and impairment			
At 31 December 2018	2,260,801	439,114	2,699,915
Amortisation charged for the period	3,391,201	21,667	3,412,868
At 31 December 2019	5,652,002	460,781	6,112,783
Carrying amount			
At 31 December 2019	28,260,006	108,333	28,368,339
At 31 December 2018	31,651,207	-	31,651,207

The company had no intangible fixed assets at 31 December 2019 (2018: nil).

More information on the impairment arising in the period is given in note 11.

13 Tangible fixed assets

Group	Leasehold improve- ments £	Fixtures and fittings	Computers £	Total £
Cost				
At 31 December 2018	100,201	191	72,981	173,373
Additions			149,660	149,660
Business combinations				
At 31 December 2019	100,201	191	222,641	323,033
Depreciation and impairment				
At 31 December 2018	37,522	191	22,367	60,080
Depreciation charged in the period	50,143		28,759	78,902
At 31 December 2019	87,665	191	51,126	138,982
Carrying amount				
At 31 December 2019	12,536		171,515	184,051
At 31 December 2018	62,679	-	50,614	113,293

The company had no tangible fixed assets at 31 December 2019 (2018: nil).

DE EUROPE GROUP HOLDING LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

14 Fixed asset investments	Group 2019 Number	Company 2019 Number	Group 2018 Number	Company 2018 Number
Investments in subsidiaries (note 15)	-	-	-	42,397,965
Movements in fixed asset investments				
Company				Shares in group undertakings £
Cost or valuation				
At 1 January 2018				42,397,965
Additions				
At 31 December 2019				42,397,965
Carrying amount				
At 31 December 2019				42,397,965
At 31 December 2018				42,397,965

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Education Media Delivery Limited	1	Educational content delivery services	Ordinary		100.00
Discovery Education Europe Group Limited	1	Holding company	Ordinary	100.00	
Discovery Education Europe Limited	1	Production and distribution of digital educational programming	Ordinary		100.00

1 Lyric Square, London, England, W6 ONB

The above subsidiaries have been included in the group financial statements using the purchase method of accounting. Accordingly, the group consolidated statement of comprehensive income and statement of cash flows include the results and cash flows of the subsidiaries.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Acquisitions

On 14 March 2018 the group acquired 100 percent of the issued capital of for consideration of £42,397,976.

	Book Value £	Adjustments £	Fair Value £
Intangible assets	439,114	-	439,114
Tangible fixed assets	110,176	-	110,176
Investments	11	-	11
Stock	255	-	255
Debtors	21,754,784	-	21,754,784
Cash and cash equivalents	1,316,131	-	1,316,131
Creditors	(14,949,303)	-	(14,949,303)
Provisions	(185,200)	-	(185,200)
Total identifiable net assets	8,485,968	-	8,485,968
Goodwill			33,912,008
Total consideration			42,397,976
The consideration was satisfied by:			£
Cash			42,397,976
Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:			£
Turnover			9,214,350
Profit after tax			2,458,326

17 Debtors	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Amounts falling due within one year:				
Trade debtors	778,933	-	909,885	-
Amounts owed by group undertakings	4,626,566	-	6,480,398	-
Other debtors	223,980	-	267,641	-
Prepayments and accrued income	312,552	-	378,823	-
	5,942,031	-	8,036,747	-
Deferred tax asset (note 21)	569,985	-	377,807	-
	6,512,016	-	8,414,554	-

Amounts due to group undertakings are unsecured and bear no interest. They are repayable on demand and no provisions are held against receivables from group undertakings.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Creditors: amounts falling due within one year	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Trade creditors	583,814	-	508,882	-
Amounts owed to group undertakings	3,406,698	11,587,020	3,742,014	11,587,020
Other taxation and social security	133,187	-	180,917	-
Other creditors	55,677	-	37,535	-
Accruals and deferred income	4,746,014	-	5,975,562	-
	<u>8,925,390</u>	<u>11,587,020</u>	<u>10,444,910</u>	<u>11,587,020</u>

Other creditors include a current liability relating to content licences. The liability represents the outstanding obligations under a contract to acquire source content to use the service. Quarterly repayments are fixed as this liability is discharged over five years.

Amounts due to group undertakings are unsecured, bear no interest and are repayable on demand.

19 Financial instruments	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	5,695,612	n/a	7,712,929	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	8,792,204	n/a	10,263,993	n/a

20 Provisions for liabilities	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Other provisions	145,310	-	190,348	-

The provision represents management's estimation of the liability relating to leasehold property repairs.

Movements on provisions:

	Other provisions £
Group	
At 31 December 2018	190,348
Additional Released to profit and loss	(45,038)
At 31 December 2019	<u>145,310</u>

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Assets 2019 £	Assets 2018 £
Group		
Accelerated tax depreciation	569,985	377,807

The company has no deferred tax assets or liabilities.

Movements in the period:	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
At 31 December 2018	(377,807)	-	-	-
Credit to profit or loss	(192,178)	-	(94,368)	-
Other	-	-	(283,439)	-
At 31 December 2019	(569,985)	-	(377,807)	-

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

Above 'Other' movements in the prior period relate to brought forward deferred tax balances acquired (see note 16).

22 Retirement benefit schemes	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	256,245	142,003

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

There are no contributions outstanding at the year end.

23 Share capital	Group and company 2019 £	Group and company 2018 £
Ordinary share capital issued and fully paid		
100 Ordinary of £1 each	100	100

The company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

DE EUROPE GROUP HOLDING LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

24 Reserves

Share premium

The excess of consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

25 Cash generated from group operations	2019 £	2018 £
Profit for the period after tax	(4,459,573)	11,122
Adjustments for:		
Taxation credited	(192,178)	(94,368)
Finance costs	-	5,148
Investment income	(1,976)	(5,140)
Amortisation and impairment of intangible assets	3,412,868	2,699,915
Depreciation and impairment of tangible fixed assets	78,902	60,080
Increase in provisions	(45,038)	5,148
Movements in working capital:		
Decrease in stocks	-	255
Decrease in debtors	2,094,716	13,718,037
(Decrease) in creditors	(1,519,520)	(4,504,393)
Cash generated from/(absorbed by) operations	(631,799)	11,895,804

26 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Within one year	29,998	-	359,973	-
Between one and five years	-	-	1,439,892	-
In over five years	-	-	359,973	-
	29,998	-	2,159,838	-

During the year the company exited its old leasehold property and moved to new premises with a short term and flexible lease.

DE EUROPE GROUP HOLDING LTD.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

27 Post-Balance Sheet Event

In early 2020, the existence of the COVID-19 Pandemic was confirmed which has since spread across a significant number of countries, leading to the disruption to businesses and economic activity. The company considers the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event

Discovery Education has continued operate on a business as usual basis, other than all staff have been home based. Discovery Education have not needed to utilise the government support schemes with the exception of deferred VAT payment. Covid-19 impacting channel partners' ability to sell and slowing new business decisions in UK uncertainty and concerns around macroeconomic impact; many school leaders saying that significant time is being spent managing health and safety. DEEGHL continues to receive the full financial support of its ultimate parent company, Discovery Education Inc, and therefore any impact as result of Covid-19 is not expected to be critical to the company over the next 12 month

28 Control

The immediate parent company is Discovery Education Inc., a company incorporated in the USA.

The ultimate parent undertaking and controlling party is Discovery Education Topco LLC, a company incorporated in the USA. The smallest and largest group for which consolidated accounts are drawn up is headed up by Discovery Education Topco LLC. Copies of the financial statements are available from 4350 Congress Street, Suite 700, Charlotte, NC 28209, USA.