

Registered number 11765731 (England and Wales)

Bologna Topco Limited

Annual report and consolidated financial statements for  
the year ended 31 December 2022



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# **Bologna Topco Limited**

## **Directors and advisers**

### **Directors**

Mr P Ransley (*resigned 22 March 2023*)

Mr D Elliott

Mr C Stibbs

Mr I Evans

Mr P Howarth

Mr N Pirog

Mr C Lenton

Mr K Barber (*appointed 22 March 2023*)

### **Registered Number**

11765731

### **Registered Office**

Bologna Topco Limited

26 Red Lion Square

London

WC1R 4HQ

United Kingdom

### **Independent Auditors**

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2 London Wall Place

London

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United Kingdom

# Bologna Topco Limited

## Strategic Report

### Business overview and financial highlights

Times Higher Education ("THE") was founded in 1971 and is the trusted provider of data, intelligence and consultancy to universities, corporates and governments worldwide. It holds 10m+ performance data points on almost 9,000 universities from 155 countries, and content platforms attract over 63 million visits from the global higher education community annually, with a growing audience of 22 million+ parents and students.

2022 was a transformative year for the Group with the business completing three acquisitions.

- Inside Higher Ed ("IHE") was acquired in January 2022. IHE, based in Washington DC, is the leading source for the latest news, analysis and careers services specifically designed for US academics providing independent, thoughtful, substantive analysis and essential tools and services. IHE has strengthened THE's position in the US higher education market
- BMI was acquired in September 2022. BMI are a global events company that run recruitment activities on the behalf of both educational institutions and governmental scholarship agencies to help them better engage with prospective students looking to study abroad. The acquisition has accelerated THE's international student recruitment events business.
- dataHE was acquired in October 2022. dataHE provides data and advanced analysis to support better decision making around the provision of higher education in the UK. The Company creates analytical models to answer key universal questions from their customer's leadership teams. The acquisition has extended THE's data services to include analytical modelling and forecasting capabilities.

Following these acquisitions, the THE business comprises of six revenue streams:

- Data & Insights. The provision of data to allow institutions to understand the competitive landscape and their performance.
- Consultancy. Advisory services to support institutions in shaping marketing strategies on the THE platforms, and improving performance based on subscription data.
- Events. The hosting of global and regional events across the world, bringing together industry leaders, students and academics.
- Careers. Job advertisings for higher education institutions and universities, published on the THE website or magazine.
- Digital marketing. This includes marketing and advertising packages to promote customer institutions and services through customised profiles on the THE website
- Editorial Insights. Helping universities and organisations establish thought leadership and build reputation through resource sharing and best practice.

### Financial Highlights

The Group generated revenue of £40.2m (2021: £21.6m, adjusted EBITDA of £9.3m (2021: £3.4m) and a loss for the period of £19.5m (2021: £20.0m).

Revenue in 2022 improved significantly over the prior year, reflecting continued growth within our events business driven by increased attendance as COVID-19 restrictions eased globally and increased event sponsorship, our consulting businesses gaining momentum and winning a number of contracts and increased interest from universities in our digital marketing services and data and insights products.

The acquisition of IHE contributed £9.7m, BMI £4.3m and dataHE £0.2m.

As of 31 December 2022, the business had 320 employees (2021: 210) in offices covering the United Kingdom, Australia, Singapore, and the United States.

# Bologna Topco Limited

## Strategic report

### Business overview and financial highlights (continued)

#### Financial Highlights (continued)

A reconciliation of Adjusted EBITDA to the loss for the period from continuing operations is provided as follows:

	2022 £'000	2021 £'000
<b>Adjusted EBITDA*</b>	<b>9,333</b>	<b>3,401</b>
Release of Group adjustment to fair value deferred revenue on acquisition	4	(77)
Parent company costs~	(577)	(532)
Foreign exchange	74	(75)
Depreciation and amortisation (Notes 7 & 8)	(9,777)	(7,557)
Exceptional costs (Note 3)	(2,832)	(116)
Share-based compensation (Note 20)	(149)	(152)
Revaluation of contingent consideration^	-	(306)
Grant income§	-	485
<b>Operating loss before interest and taxation</b>	<b>(3,924)</b>	<b>(4,929)</b>
Net interest and similar expense (Note 5)	(15,590)	(13,861)
Income tax (expense) / credit (Note 6)	40	(1,207)
<b>Loss for the year from continuing operations</b>	<b>(19,474)</b>	<b>(19,997)</b>

\* Adjusted EBITDA is defined as profit for the period before tax, net interest payable and similar charges, amortisation, depreciation, non-recurring costs and parent company costs. Adjusted EBITDA is not a measure of financial performance under UK GAAP but is presented because we believe that it is a relevant measure for assessing our performance as it adjusts for certain items which we believe are not indicative of our underlying operating performance.

~ Parent company costs comprise non-trading costs associated with the holding companies within the Group and are not considered part of the Group's Adjusted EBITDA. This includes amounts due to Inflexion for management services.

^ Revaluation of contingent consideration refers to the revaluation of the consideration for the acquisition of The Knowledge Partnership (UK) Limited to present value.

§ Grant income comprises interest and borrowing costs covered by the UK Government under the Coronavirus Business Interruption Loan Scheme (CBILS).

### Trading performance in the period

The Group generated revenue of £40.2m (2021: £21.6m, adjusted EBITDA of £9.3m (2021: £3.4m) and a loss for the period of £19.5m (2021: £20.0m).

During the year, the Group generated Adjusted EBITDA of £9.3m (2021: £3.4m). Exceptional costs of £2.8m (2021: £0.1m) were incurred in the year, in relation to strategic costs. Exceptional costs in 2022 comprises of £0.4m of staff and restructuring costs, £0.2m of rebranding costs, £0.1m of legal fees and £2m of acquisition costs. Depreciation and amortisation costs of £9.8m (2021: £7.6m) were incurred in the year. This resulted in a loss before interest and tax of £3.9m for the year (2021: £4.9m).

Net finance costs of £15.6m were incurred in the year ended 31 December 2022 (2021: £13.9m), of which £15m was in relation to Loan Notes issued to fund the purchase of THE and its subsidiaries and £0.6m of amortised borrowing costs.

The directors do not recommend the payment of a dividend.

# Bologna Topco Limited

## Strategic report (continued)

### Trading performance in the period (continued)

The financial position of the Group is presented in the balance sheet. Total assets at 31 December 2022 were £129.7m (2021: £90.1m) comprising intangible assets of £44.7m (2021: £35.5m), property, plant and equipment of £0.4m (2021: £0.3m), goodwill of £66.9m (2021: £43.2m) and current assets of £17.7m (2022: £11.0m). Total liabilities at 31 December 2022 were £206.1m (2021: £149.0m) comprising borrowings of £167.9m (2021: £125.5m), deferred tax liabilities of £8.4m (2021: £7.9m), contingent consideration of £8.1m (2021: £1.8m), other non-current liabilities of £0.2m (2021: £0.1m) and current liabilities of £21.6m (2021: £13.7m).

### Liquidity and Capital Resources

#### *Capital Resources*

Our primary sources of liquidity consist of cash generated from operating activities. The directors believe that this source of funding will be sufficient to fund our debt servicing requirements as they become due and working capital requirements for the next 12 months from the date of approval of these financial statements. Our ability to generate positive cash flow from operations will depend on our future performance, which is driven by various factors.

#### *Net cash from operating activities*

Net cash generated from operating activities was an inflow of £7.0m (2021: inflow of £2.7m) in the year ended 31 December 2022.

#### *Net cash used in investing activities*

Net cash used in investing activities was £32.2m (2021: £3.9m) in the year ended 31 December 2022. This was mainly due to software development spend of £4.2m (2021: £3.8m) (Note 8), tangible asset spend of £0.1m (2021: £0.1m) (Note 7) and purchase of subsidiaries of £27.9m (2021: £nil).

#### *Net cash from financing activities*

Net cash from financing activities for the year ended 31 December 2022 was £26.6m (2021: £nil), with £29.0m (2021: £nil) from loans and £0.1m (2021: £nil) proceeds from the issue of share capital, partly offset by borrowing costs of £1.0m (2021: £nil).

#### *Loan Notes*

Loan notes of £88.0m were issued by the Group on 28 February 2019. The notes were issued in order to acquire THE World Universities Insights Limited and its subsidiaries. The interest rate on the notes is 10.5% (2021: 12.0%) per annum and accrues on the principal amount on a daily basis and is compounded annually on 31 December each year. In January 2022 additional loan notes of £6.5m were issued to fund the acquisition of IHE at an interest rate of 12%. The notes have a maturity date of 27 February 2025. The notes are guaranteed and secured by the Group.

#### *CBILS Loan*

A £5.0m CBILS loan was received on 22 December 2020. The loan was received for the purpose of supporting the working capital needs of the business, due to the impact of Covid-19 on the Group. The interest rate on the loan is 6.95%, accrues from the drawdown date and is payable monthly in arrears. The loan has a maturity date of 21 December 2024. The loan is guaranteed and secured over the assets of the Group. Financial covenants are attached to the loan, relating to a minimum level of liquidity and a minimum level of EBITDA, these were not breached during the year.

A £14.5m loan was received from Thincats on 21 January 2022. This loan was received for the purpose of acquiring IHE. The interest rate on the loan is 7.45%, accrues from the drawdown date and is payable monthly in arrears. The loan has a maturity date of 21 December 2025. The loan is guaranteed and secured over the assets of the Group. Financial covenants are attached to the loan, relating to a minimum level of liquidity and a minimum level of EBITDA, these were not breached during the year.

A £8.0m loan was received from Thincats on 16 September 2022. This loan was received for the purpose of acquiring BMI and dataHE. The interest rate on the loan is the aggregate of the Bank of England base rate and 7.45%. Interest accrues from the drawdown date and is payable monthly in arrears. The loan has a maturity date of 21 December 2025. The loan is guaranteed and secured over the assets of the Group. Financial covenants are attached to the loan, relating to a minimum level of liquidity and a minimum level of EBITDA, these were not breached during the year.

# Bologna Topco Limited

## Strategic report (continued)

### Principal risks and uncertainties

The principal risks and uncertainties, including financial risks, facing the business are set out below:

#### *Market risk*

A key risk to the Group is the financial impact on our customers of a general economic downturn and international conflict such as the conflict between Ukraine and Russia. The impact of the Ukraine-Russia conflict did not have a material impact on the financial performance of the Group. Whilst a general economic downturn can have an impact on the Group the business demonstrated resilience during the COVID-19 pandemic and took action to mitigate the impact on the Group.

#### *Competitive risk*

The main competitive threats facing the Group are from current competitors, potential new entrants and potential technological changes in the industry. In the opinion of the directors, THE has a sufficiently well-established position in the marketplace to defend against potential threats.

#### *Credit risk*

The Group ensures that appropriate credit checks are made on potential customers before sales are made. Management regularly reviews outstanding receivables and debtor recovery plans, together with credit limits across most of our largest customers. The Group's policy is to deposit surplus cash with internally approved banks. These banks are reviewed at least annually to ensure that appropriate credit ratings are maintained.

#### *Cash flow / liquidity risk*

At the time of approving the financial statements, the Group has sufficient funds to cover liabilities as they fall due.

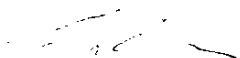
#### *Price risk*

Future turnover remains sensitive to changes in the prices that we are able to charge across the territories that we operate in. The Group performs periodic market reviews to ensure that all rates remain competitive.

#### *Renewal risk*

Future revenues will be impacted by subscription renewal rates as we migrate an increasing proportion of universities to subscription products. The Group is investing in account management and additional products and services that are of value to the customer, together with focusing on delivering a high quality service to ensure good renewal rates. Renewal rates were partly impacted by Covid-19, but the investment made in product, account management and engagement has seen renewal rates return to pre-Covid levels.

By order of the board



Mr K Barber  
Director  
22 September 2023

# **Bologna Topco Limited**

## **Directors' report**

The directors present their report and the audited consolidated financial statements of the Group and the Company for the year ended 31 December 2022.

### **Dividends**

The directors do not recommend a dividend for the year ended 31 December 2022.

### **Political donations**

The Group did not make any political donations during the year.

### **Principal risks and uncertainties**

The principal risks and uncertainties, including financial risks, facing the business are set out in the strategic report.

### **Directors and directors' interests**

Bologna Topco Limited was incorporated on 14 January 2019, under the laws of England and Wales. The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Mr P Ransley (resigned 22 March 2023)

Mr D Elliott

Mr C Stibbs

Mr I Evans

Mr P Howarth

Mr C Lenton

Mr N Pirog

Mr K Barber (appointed 22 March 2023)

There were no directors' interests or related party transactions for the year under review.

### **Employment of disabled persons**

The Group endeavours to promote and ensure equal opportunities to all its employees, job applicants and former employees irrespective of race (including colour, nationality and ethnic and national origins), religion, belief, disability, gender, marital or civil partnership status, sex or sexual orientation, age or trade union membership. The Group values the individual contribution of all its employees and prospective employees from all sectors of the community. We recognise our social and moral duty to employ people with disabilities and we will do all that is practicable to meet this responsibility and comply with our legal responsibilities under the Equality Act 2010. All those involved in recruitment have the additional responsibility to be open to all candidates based on their skills and expertise. Recruiters can explore any reasonable adjustments that may be required to ensure that disabled candidates are able to compete fairly in the selection process and once they have been appointed. If members of staff become disabled the Group continues employment where possible, either in the same or an alternative position, with appropriate retraining being given if necessary.

### **Employment involvement**

The Group and its leadership work hard to communicate its strategy, progress and updates to global staff, while investing in an open and collaborative culture that supports a shared common purpose. Communication is driven through several different channels, including a collaborative global intranet for news and collaboration, staff newsletters and town hall meetings. Staff associations meet regularly with the management team to ensure the views of our employees are represented and taken into account when making decisions that are likely to affect their interests. The ambition is to ensure that employees understand the contribution they make to the business in achieving its goals both from a social purpose and a financial perspective.



# **Bologna Topco Limited**

## **Directors' report (continued)**

### **Development costs**

In the year ended 31 December 2022, the Group capitalised £4.2m (2021: £3.8m) of development costs, which related to product development, of which £1.5m (2021: £1.6m) is work in progress (Note 8). No development costs were recognised in the profit and loss during the period. The development spend has been capitalised as part of the software and software development additions in the period (Note 8).

### **Independent auditors**

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

### **Going concern**

The directors confirm that, having reviewed the Group's and Company's cash requirements for the next 12 months from the date of signing the financial statements, they have formed a judgement that the Group and Company have reasonable expectations that adequate resources will be available to continue operations for the foreseeable future. The Group has also received confirmation of support from its investors, for at least 12 months after the signing of the audit report, which provides additional security on the resources available to continue as a going concern. Therefore, these financial statements have been prepared on the going concern basis. In forming this judgement, the directors have reviewed the level of secured revenue for 2023, cash flow projections from the date of the approval of these financial statements, contingency planning and the sufficiency of banking facilities. The Company is reliant on the continued trading performance of the Group, which is in a net liabilities position, although the directors are comfortable that the Group will generate sufficient value to settle liabilities as they fall due.

### **Directors' and officers' indemnity**

The Group maintains liability insurance for its directors and officers and had this in place throughout the period and up to the date of signing the financial statements.

### **Energy and Carbon reporting**

The company and group have assessed their energy and carbon usage for the period applying an operational control approach. The directors, in their assessment, have concluded that the Company qualifies as a low energy user and have therefore taken advantage of the exemption from reporting on its own usage. The applicable UK based members of the Group are, individually, not obliged to report on their own energy and carbon usage, and as a result, the directors have taken advantage of the option to exclude this information from the Group report.

# Bologna Topco Limited

## Directors' report (continued)

### Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 and Company for that period. In preparing the financial statements, the directors are required to:

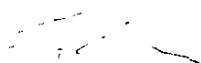
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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. 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.

### Directors' confirmations:

- so far as the directors are aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

By order of the board



Mr K Barber  
Director

22 September 2023

# **Bologna Topco Limited**

## ***Independent auditors' report to the members of Bologna Topco Limited***

### **Opinion**

We have audited the financial statements of Bologna Topco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The director is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **Bologna Topco Limited**

## ***Independent auditors' report to the members of Bologna Topco Limited (continued)***

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

### **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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept 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 director's 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 Director's responsibilities statement set out on page 8, the director is 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 director determines 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 director is 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 Auditors' 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 Group financial statements.

## **Bologna Topco Limited**

### ***Independent auditors' report to the members of Bologna Topco Limited (continued)***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance around actual and potential litigation and claims.
- performing audit work over the risk and management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- reviewing minutes and meetings of those charged with governance,
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.



#### **John Coverdale FCA (Senior statutory auditor)**

For and on behalf of MHA, Statutory Auditors  
London, United Kingdom

Date: 25 September 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

## Bologna Topco Limited

### Consolidated profit and loss account

		Year ended 31 December	
	Note	2022 £'000	2021 £'000
Revenue	4	40,249	21,594
Cost of sales		(4,257)	(1,010)
Other operating income		11	492
<b>Gross profit</b>		<b>36,003</b>	<b>21,076</b>
Administrative expenses		(40,135)	(26,005)
<b>Operating loss before interest and taxation</b>	3	<b>(4,132)</b>	<b>(4,929)</b>
Corporation Tax credit		207	-
Interest payable and similar expenses	5	(15,590)	(13,861)
<b>Loss before income tax</b>	6	<b>(19,515)</b>	<b>(18,790)</b>
Tax (expense) / credit on loss	6	40	(1,207)
<b>Loss for the financial year</b>		<b>(19,475)</b>	<b>(19,997)</b>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement.

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.

## Bologna Topco Limited

### Consolidated statement of comprehensive income

	Year ended 31 December	
	2022 £'000	2021 £'000
Loss for the year	(19,475)	(19,997)
<b>Items that may be reclassified subsequently to the income statement:</b>		
<b>Other comprehensive income</b>		
Cumulative translation adjustments	(1,780)	(241)
<b>Total comprehensive expense for the year attributable to the owners of the parent</b>	<b>(21,255)</b>	<b>(20,328)</b>

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.

# Bologna Topco Limited

## Consolidated and company balance sheets

		Group 31 December		Company 31 December	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
<b>Assets</b>					
<b>Fixed assets</b>					
Intangible assets	8	44,712	35,499	-	-
Goodwill	8	66,941	43,208	-	-
Property, plant and equipment	7	340	320	-	-
Investments	15	-	-	2,245	2,096
		<b>111,993</b>	<b>79,027</b>	<b>2,245</b>	<b>2,096</b>
<b>Current assets</b>					
Trade and other receivables	9	11,014	5,683	460	399
Cash and cash equivalents	10	6,732	5,362	-	-
		<b>17,746</b>	<b>11,045</b>	<b>460</b>	<b>399</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables		(3,054)	(1,132)	-	-
Deferred revenue and accrued expenses		(18,512)	(12,553)	(20)	(52)
	13	<b>(21,566)</b>	<b>(13,685)</b>	<b>(20)</b>	<b>(52)</b>
<b>Net current (liabilities) / assets</b>		<b>(3,820)</b>	<b>(2,640)</b>	<b>440</b>	<b>347</b>
<b>Total assets less current liabilities</b>		<b>108,173</b>	<b>76,387</b>	<b>2,685</b>	<b>2,443</b>

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.



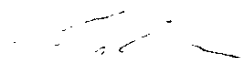
# Bologna Topco Limited

## Consolidated and company balance sheets (continued)

		Group 31 December		Company 31 December	
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
<b>Non-current liabilities</b>					
Loans and other borrowings	14	(167,856)	(125,452)	-	-
Other creditors	13	(173)	(119)	-	-
Contingent consideration	13	(6,569)	(1,833)	-	-
Deferred consideration	13	(1,546)	-	-	-
Deferred income tax liabilities	11	(8,371)	(7,942)	-	-
		<b>(184,515)</b>	<b>(135,346)</b>	<b>-</b>	<b>-</b>
<b>Net (liabilities) / assets</b>		<b>(76,342)</b>	<b>(58,959)</b>	<b>2,685</b>	<b>2,443</b>
<b>Capital and reserves</b>					
Called-up share capital	12	25	21	25	21
Share premium account	12	2,202	2,043	2,202	2,043
Other reserves	20	545	396	545	396
Cumulative translation adjustments		2,021	241	-	-
Accumulated (losses) / profit		(81,135)	(61,660)	(87)	(17)
<b>Total (deficit) / equity</b>		<b>(76,342)</b>	<b>(58,959)</b>	<b>2,685</b>	<b>2,443</b>

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.

The financial statements on pages 12 to 52 were authorised for issue by the board of directors on 22<sup>nd</sup> September and signed on its behalf by:



Mr K Barber

Director

Registered number 11765731

# Bologna Topco Limited

## Consolidated statement of changes in equity

	Note	Attributable to owners of the parent					Total equity £'000
		Called-up share capital £'000	Share premium £'000	Share based payment reserves £'000	Cumulative translation adjustments £'000	Accumulated losses £'000	
Balance as at 1 January 2021		21	2,043	244	217	(41,663)	(39,138)
Loss for the year		-	-	-	-	(19,997)	(19,997)
Total comprehensive expense for the year		21	2,043	244	217	(61,660)	(59,135)
Shares issued	12	-	-	-	-	-	-
Share-based compensation	20	-	-	152	-	-	152
Cumulative translation adjustments		-	-	-	24	-	24
Balance as at 31 December 2021 and 1 January 2022		21	2,043	396	241	(61,660)	(58,959)
Loss for the year		-	-	-	-	(19,475)	(19,475)
Total comprehensive expense for the year		21	2,043	396	241	(81,135)	(78,434)
Shares issued	12	4	159	-	-	-	163
Share-based compensation	20	-	-	149	-	-	149
Cumulative translation adjustments		-	-	-	1,780	-	1,780
Balance as at 31 December 2022		25	2,202	545	2,021	(81,135)	(76,342)

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.

## Bologna Topco Limited

### Company statement of changes in equity

	Note	Called-up share capital £'000	Share premium £'000	Share based payment reserves £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 January 2021		21	2,043	244	18	2,326
Loss for the year		-	-	-	(35)	(35)
Total comprehensive income for the year		21	2,043	244	(35)	2,291
Shares issued	12	-	-	-	-	-
Share-based payment reserve	20	-	-	152	-	152
Balance as at 31 December 2021 and 1 January 2022		21	2,043	396	(17)	2,443
Loss for the year		-	-	-	(70)	(70)
Total comprehensive income / (loss) for the year		21	2,043	396	(87)	2,373
Shares issued	12	4	159	-	-	163
Share-based payment reserve	20	-	-	149	-	149
Balance as at 31 December 2022		25	2,202	545	(87)	2,685

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.

# Bologna Topco Limited

## Consolidated statement of cash flows

		Year ended 31 December	
		2022	2021
	Note	£'000	£'000
Net cash from operating activities	24	6,971	2,658
Taxation paid	6	210	(57)
<b>Net cash used in operating activities</b>		<b>7,181</b>	<b>2,601</b>
<b>Cash flow from investing activities</b>			
Purchase of subsidiaries (net of cash acquired)		(27,892)	-
Software development	8	(4,155)	(3,775)
Purchase of tangible assets	7	(129)	(109)
<b>Net cash used in investing activities</b>		<b>(32,176)</b>	<b>(3,884)</b>
<b>Cash flow from financing activities</b>			
Receipts from Loans	14	29,000	-
Interest paid	14	(1,567)	
Borrowing costs	14	(1,214)	-
Proceeds from issue of share capital	12	148	-
<b>Net cash generated from financing activities</b>		<b>26,367</b>	<b>4,967</b>
Cash and cash equivalents at the beginning of the year		5,362	6,681
Net (decrease) / increase in cash and cash equivalents		1,357	(1,283)
Exchange gains/ losses on cash and cash equivalents		(2)	(36)
<b>Cash and cash equivalents at the end of the year</b>	10	<b>6,732</b>	<b>5,362</b>

The notes on pages 19 to 52 are an integral part of these consolidated financial statements.

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the Company Statement of Cash Flows.

# **Bologna Topco Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1 General information**

Bologna Topco Limited ('the Company') and its subsidiaries (together 'the Group') provide benchmarking data to universities, along with advertising, hiring and content to the higher education sector. The Group's head office is in the UK and there are a number of other offices globally. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 26 Red Lion Square, London, WC1R 4HQ.

### **2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently throughout the period, unless otherwise stated.

#### **2.1 Basis of preparation**

The financial statements have been prepared on the going concern basis and under the historical cost convention unless otherwise specified in the accounting policies set out below.

These financial statements have been prepared in compliance with FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland (January 2022) and the Companies Act 2006..

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company 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 2.25.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);

the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The Group financial statements are presented in pound sterling and are rounded to the nearest thousand and are suffixed with a "k" or "millions" in certain disclosure paragraphs, unless otherwise stated.

The Company's functional and presentation currency is pound sterling.

# **Bologna Topco Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **2 Accounting policies (continued)**

#### **2.2 Going concern**

After making appropriate enquiries, the directors have formed a judgement, at the time of approving the financial statements, that the Company has reasonable expectations that adequate resources will be available for it to continue its operations for the foreseeable future. In forming this judgement the directors have prepared cash flow projections for the date of the approval of these financial statements, reviewing contingency planning and the sufficiency of banking facilities. Further explanation is contained in the Directors' Report.

#### **2.3 Basis of consolidation**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the sum of the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Changes in the non-controlling interest, which do not result in a change in control, are accounted for as equity transactions.

Inter-company transactions and balances between Group companies are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 2 Accounting policies (continued)

#### 2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use.

Category	Rate of depreciation
Computer and Office equipment	20% to 25% per annum
Office equipment	20% to 25% per annum
Fixtures and Fittings	Over the life of the property lease of 3 years

Assets in the course of construction are transferred into an asset category at the point of completion of construction. As assets are transferred upon completion there is no depreciation charged against this category of asset.

#### 2.5 Intangible assets

##### *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Amortisation is charged to the income statement for the financial period using the straight-line method over its estimated useful life. Goodwill is tested annually for impairment and carried at cost less accumulated amortisation and impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating units (Note 8).

##### *Customer relationships*

Customer relationships acquired as part of a business combination are shown at fair value at the date of acquisition and subsequently less accumulated amortisation. Identifiable intangible assets are those which can be sold separately, or which arise from legal rights. Amortisation is charged to the income statement for the financial period using the straight-line method over their estimated useful lives.

##### *Brand names*

Brand names were capitalised at fair value and amortised using the straight-line method over their estimated useful lives, from the date the intangible assets came into use.

##### *Systems and software development*

The Group capitalises expenditure that is directly attributable to the development of the intangible asset which is amortised on a straight-line basis over 2 to 5 years from the point the asset is available for use. The assets are valued at cost less accumulated amortisation, except those identifiable intangible assets acquired as part of a business combination which are shown at fair value at the date of acquisition, and subsequently less accumulated amortisation. Where no intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 2 Accounting policies (continued)

#### 2.5 Intangible assets (continued)

Category	Estimated Useful Lives
Goodwill	20 years
Customer relationships	7 to 16 years
Brand names	10 to 20 years
Systems and software development	2 to 5 years
Intellectual property	5 years

#### 2.6 Impairment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount and is recognised immediately as an expense. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Group tests annually whether goodwill has suffered any impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, except where fair value less cost to sell is more representative of the maturities and growth stages of the business.

#### 2.7 Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured, they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interests in the identifiable net assets, liabilities and contingent liabilities acquired. Goodwill is amortised over its expected useful life which is estimated to be twenty years. Goodwill is assessed for impairment when there are indicators for impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

#### 2.8 Financial assets

##### 2.8.1 Classification

The Group has two classifications of financial assets; loans and receivables and cash and cash equivalents. Management determines the classification of its financial assets at initial recognition.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' in the balance sheet.



# **Bologna Topco Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **2 Accounting policies (continued)**

#### **2.8.1 Classification (continued)**

##### *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are showing within borrowings in current liabilities.

#### **2.8.2 Recognition and measurement**

Loans and receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method less provision for impairment.

### **2.9 Financial liabilities**

#### **2.9.1 Classification**

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss for the financial period.

##### *Gains and losses*

Gains or losses arising from changes in the fair value of the financial liabilities at fair value through profit or loss category are presented in the profit or loss for the financial period within 'finance costs' in the period in which they arise.

#### **2.9.2 Recognition and measurement**

The Group's financial liabilities are recognised at fair value, net of transaction costs incurred, and subsequently carried at amortised cost using the effective interest method.

#### **2.9.3 Loan notes**

Loan notes are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, net of any transaction costs incurred. 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 balance sheet date.

Interest is recognised in the consolidated income statement over the period of the borrowing.

#### **2.10 Borrowing costs**

Borrowing costs are capitalised when incurred and amortised over the term of the borrowings.

#### **2.11 Contingent consideration**

Accounting for contingent consideration in the post combination period is determined by the classification at the acquisition date.

Contingent consideration is recognised as a financial liability and measured at fair value at the acquisition date and each subsequent reporting date with changes in fair value recognised in profit or loss.

#### **2.12 Leased assets**

At the inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### *Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### *Lease incentives*

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

# **Bologna Topco Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **2.12 Leased assets (continued)**

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

### **2.13 Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Appropriate provisions for impairment are recognised as per note 2.14. When a trade receivable is uncollectable, it is written off. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

### **2.14 Impairment of trade receivables**

The Group fully provides for any amounts of loan principal and charged income that is estimated to be irrecoverable from customers. This provision is calculated based on the type of debt, its age and the period in which the original debt was initiated and by comparison with the past performance of similar historical loans.

### **2.15 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, current balances and other short-term highly liquid investments with banks and similar institutions.

### **2.16 Share capital**

A ordinary shares, B ordinary shares and C ordinary shares are classified as equity.

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

### **2.17 Trade payables**

Trade payables are obligations to pay for goods or 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.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **2.18 Current and deferred income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. 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 expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

# **Bologna Topco Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **2 Accounting policies (continued)**

#### **2.18 Current and deferred income tax (continued)**

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **2.19 Revenue recognition**

Revenue comprises the fair value of the consideration receivable by the Group for the sale of goods and services in the ordinary course of its business. Revenue is shown net of value added tax, returns and trade discounts.

Data, hiring advertising, institutional circulation and membership revenues under a subscription contract are recognised on a straight-line basis over the period that the subscription runs.

B2C revenue from circulation is recognised in the week in which the magazine is published. Refunds from circulation returns are debited to revenue. Event income is recognised in the month that the event commences. Amounts received in advance of an event are deferred until the period when the event occurs. Consultancy revenue is recognised when performance obligations are satisfied over the length of the project. Transactional advertising revenue is recognised at the point that the advert is published either online or in print. Other branding revenues are recognised in line with the performance of the service related to each element of the package.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known by management.

#### **2.20 Cost of sales**

Cost of sales includes print and paper costs, distribution costs, ranking and survey costs, programmatic costs and any other costs associated directly with the revenue generating activities of the Group.

#### **2.21 Interest payable and similar costs**

Interest expense is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

#### **2.22 Research and development**

Research expenditure is expensed through the consolidated income statement as incurred.

The development cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

#### **2.23 Investment in subsidiary undertakings**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Cost is defined as the fair value of the consideration transferred, excluding acquisition related costs.

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 2 Accounting policies (continued)

#### 2.24 Foreign currency

##### *Functional and presentation currency*

The functional currency is pound sterling and the financial statements are presented in pounds sterling, which the directors consider is the appropriate presentational currency of the Group.

##### *Transactions and balances*

Transactions in currencies other than the functional currency of the Group are recorded at the rates of exchange prevailing on the dates of the transactions.

At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Gains or losses arising on retranslation of monetary items are included in net profit or loss for the period.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

##### *Translations*

The trading results of the Group undertakings are translated into sterling using the average monthly exchange rate. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the period-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates recognised in 'Other comprehensive income'.

#### 2.25 Critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements in accordance with FRS 102 requires decisions and estimates for some items, which might have an effect on their recognition and measurement in the balance sheet and income statement. The actual amounts realised may differ from these estimates.

##### 2.25.1 Key accounting estimates and assumptions

###### *Share-based payments*

The Group has estimated the fair value of the shares issued to management based on the Black Scholes model. The inputs into the valuation model are subjective in nature. See key estimates in Note 20.

###### *Impairment of goodwill and intangibles*

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. The Group tests annually whether goodwill has suffered any impairment, in accordance with the Group's accounting policy. In determining the recoverable amount of all CGUs, it is necessary to make a series of assumptions to estimate the present value of future cash flows. In each case, these key assumptions have been made by management reflecting past experience and future expectations (Note 8).

The value in use is calculated using a discounted cash flow methodology in accordance with applicable Accounting Standards. The discounting rate used in assessing the value in use of the assets is the estimated weighted average cost of capital employed by the Group. This has been calculated as the weighted average of the internal rate of return applied in the equity funding and the Group's loan notes interest rate.

The main assumptions within forecast operating cash flow include the achievement of future sales, the cost incurred, removing non-cash flow items and the levels of ongoing capital expenditure required to support forecast production.

# **Bologna Topco Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **2 Accounting policies (continued)**

#### **2.25.1 Key accounting estimates and assumptions (continued)**

##### *Capitalisation of development costs*

The Group capitalise development costs, in accordance with the Group's accounting policy. Determining the amounts to be capitalised requires management to make assumptions and estimates regarding the expected future cash generation of new developments and the expected period of benefits.

##### *Amortisation*

Intangible assets are stated at cost, net of amortisation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. The carrying values of assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Assets are amortised over their expected useful lives or anticipated length of use by the Group in order to write off their cost less estimated residual value.

##### *Acquisition accounting*

Accounting for acquisitions requires a fair value exercise to be undertaken in order to assess the assets and liabilities acquired, including any separately identifiable intangible assets as well as the fair value of deferred revenue. The process of determining the fair values may require estimates to be made that are subjective in nature. The Group employed the advice of an impartial third-party advisor in determining the values of the Group at acquisition.

#### **2.26 Employee benefits**

The Group 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 period in which the service is received.

Pension contributions, which are made to a defined contribution Group Personal Pension Plan, are charged to the profit and loss account as incurred. These contributions are invested separately from the Group's assets.

The Group operates several annual bonus plans for employees. An expense is recognised in the profit and loss account 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.

##### *Share based payments*

##### Group

The Group provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to the vesting. Where a modification is not beneficial to the employee there is no change to the charge for the share-based payments. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

##### Company

The Company has no employees and thus there is no charge in the income statement for share-based payments. The charge for share-based payments has been recognised as an increase in cost of investment in subsidiaries.

## **Bologna Topco Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **2.27 Exceptional items**

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

##### **2.28 Related party transactions**

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

##### **2.29 Government grants**

The Group accounts for government grants under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the profit and loss as other income in the same period as the related expenditure.

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3 Operating loss

Operating loss is stated after charging/(crediting):

		2022	2021
Group	Note	£'000	£'000
Wages and salaries	19	20,510	13,591
Social security costs	19	2,000	1,373
Other pension costs	17, 19	962	900
Other staff costs		1,030	265
Share-based compensation	20	149	152
<b>Total staff costs</b>		<b>24,651</b>	<b>16,281</b>
Amounts capitalised	8	(4,001)	(3,702)
<b>Staff costs charged to profit and loss</b>		<b>20,650</b>	<b>8,552</b>
Operating lease charges		1,079	632
Exceptional costs		2,712	116
Foreign exchange losses		(74)	75
Depreciation and amortisation	7, 8	9,781	7,557

Exceptional costs in 2022 comprises of £0.4m of staff and restructuring costs, £0.2m of rebranding costs, £0.1m of legal fees and £2m of acquisition costs.

Exceptional costs in 2021 comprise strategic costs of £0.1m.

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 4 Revenue

Analysis of revenue by geography:

<b>Group</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Turnover by geography</b>		
United Kingdom	27,426	18,816
USA	9,702	-
Australia	3,121	2,778
	<b>40,249</b>	<b>21,594</b>

Analysis of turnover by category:

<b>Group</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>Turnover by category</b>		
Insights	9,848	8,221
Connectivity	22,325	9,495
Hiring	6,050	3,040
Other revenue	2,026	838
	<b>40,249</b>	<b>21,594</b>

### 5 Interest expense

Interest payable and similar expenses

<b>Group</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Interest on loan notes	(14,998)	(13,376)
Other interest payable	-	(13)
Amortisation of borrowing costs	(550)	(337)
Other borrowing costs	(42)	(135)
	<b>(15,590)</b>	<b>(13,861)</b>

In interest on loan notes an expense of £15.0m (2021: £13.4m) is payable to the groups parent entity.



## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 6 Tax credit on loss

##### a. Tax expense included in profit or loss

	Note	2022 £'000	2021 £'000
<b>Current tax:</b>			
- UK Corporation tax for the year		-	(151)
- UK Corporation tax adjustment for the prior period		-	6
- Foreign tax charge for the year		-	16
- Foreign corporation tax for the year		725	35
<b>Total current tax</b>		<b>725</b>	<b>(94)</b>
<b>Deferred tax:</b>			
- Origination and reversal of timing differences	11	(765)	(604)
- Effect of tax rate change		-	1,905
<b>Total deferred tax</b>		<b>(765)</b>	<b>1,301</b>
<b>Total tax expense / (credit)</b>		<b>(40)</b>	<b>1,207</b>

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 6 Tax on loss (continued)

##### b. Reconciliation of tax charge

	2022 £'000	2021 £'000
<b>Loss before tax</b>	<b>(19,515)</b>	<b>(18,790)</b>
Tax on loss at standard CT rate of 19.00%	(3,708)	(3,570)
Effects of:		
- Expenses not deductible for tax purposes	2,871	2,314
- Adjustments in respect of the prior period	-	(18)
- R&D expenditure credits	9	(110)
- Unrecognised deferred tax	270	178
- Effects of changes in tax rates for deferred tax	(65)	1,905
- Deferred tax on business combinations	657	494
- Group relief surrendered/(claimed)	(116)	-
- Overseas tax adjustments	42	14
<b>Tax expense / (credit) for the year</b>	<b>(40)</b>	<b>1,207</b>

Included within unrecognised deferred tax is £7m (2021: £6.1m) for a deferred tax asset that has not been recognised in the period in respect of losses and corporate interest restricted carried forward.

During the prior year, it was substantively enacted that the UK corporation tax rate would increase to 25% with effect from 1 April 2023 and as such the deferred tax balances have been remeasured from 19% to 25%.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 7 Property, plant and equipment

Group	Computer equipment £'000	Office equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>				
At 1 January 2022	323	25	401	750
Additions	108	9	12	129
via acquisitions	90	70	32	194
Disposals	(3)	-	(70)	(73)
<b>At 31 December 2022</b>	<b>518</b>	<b>104</b>	<b>377</b>	<b>1,000</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	145	13	271	429
Via acquisitions	35	21	5	61
Depreciation charge	88	19	133	240
Depreciation on disposal	-	-	(70)	(70)
<b>At 31 December 2022</b>	<b>268</b>	<b>53</b>	<b>339</b>	<b>660</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>250</b>	<b>51</b>	<b>38</b>	<b>340</b>
At 1 January 2022	178	12	130	320

Depreciation expense of £0.2m has been charged to depreciation and amortisation expense in the consolidated income statement.

#### Company

The Company had no property, plant and equipment during the period under review.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 8 Intangible assets

Group	Goodwill £'000	Brand names £'000	Customer relationships £'000	Intellectual property £'000	Systems and software development £'000	Total £'000
<b>Cost</b>						
At 1 January 2022	50,198	16,766	13,590	150	17,512	98,215
Additions	27,063	3,152	5,060	-	5,645	40,920
Via acquisition	-	-	-	-	43	43
Work in progress	-	-	-	-	1,524	1,524
<b>At 31 December 2022</b>	<b>77,261</b>	<b>19,918</b>	<b>18,650</b>	<b>150</b>	<b>24,724</b>	<b>140,702</b>
<b>Accumulated amortisation</b>						
At 1 January 2022	6,990	2,368	2,504	32	7,615	19,509
Amortisation	3,330	1,015	1,437	30	3,729	9,541
<b>At 31 December 2022</b>	<b>10,320</b>	<b>3,383</b>	<b>3,941</b>	<b>62</b>	<b>11,344</b>	<b>29,050</b>
<b>Net book value</b>						
<b>At 31 December 2022</b>	<b>66,941</b>	<b>16,535</b>	<b>14,709</b>	<b>88</b>	<b>13,380</b>	<b>111,653</b>
At 1 January 2022	43,208	14,398	11,086	118	9,897	78,707

Within systems and software development, there are £2.5m (2021: £3.7m) of staff costs and £0.2m (2021: £0.1m) of third-party costs capitalised. Work in progress refers to assets currently under construction and are valued at £1.5m of staff costs as at 31 December 2022 (2021: £0.8m). These are not amortised until they are brought into use.

Amortisation expense of £9.5m (2021: £7.3m) has been charged to administrative expenses in the consolidated income statement.

Management performs an annual impairment review for any intangible asset that is considered to have an indefinite life or where there is an indication of impairment. This review compares the carrying amount of goodwill, intangible assets and other directly attributable assets and liabilities in the cash generating unit ('CGU') with their recoverable amounts. The carrying value of goodwill by relevant CGU is shown below:

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 8 Intangible assets (continued)

Cash Generating Unit	Goodwill £'000
THE World Universities Insights Limited	39,322
The Knowledge Partnership (UK) Limited	1,377
Inside Higher Ed	12,837
BMI Globaled Limited	6,608
Data HE Limited	6,797
<b>At 31 December 2022</b>	<b>66,941</b>

All intangible assets within the Group are deemed to have a definite useful life and are amortised over that period. As at the date of the financial statements, there was no indication of impairment and so no impairment review was required.

The Company had no intangible assets during the period under review.

#### 9 Trade and other receivables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	6,469	3,325	-	-
Amounts owed by group undertakings	-	-	356	391
Other taxation and social security	600	566	-	-
Other debtors	2,386	506	104	8
Prepayments and accrued income	1,559	1,286	-	-
<b>Total trade and other receivables</b>	<b>11,014</b>	<b>5,683</b>	<b>460</b>	<b>399</b>

The fair values of trade and other receivables is equivalent to the carrying amounts.

Included within Other debtors is £nil (2021: £0.2m) of pre-acquisition related costs.

Amounts owed by group undertakings are unsecured, bear interest at 8%-12% per annum, have no fixed date of repayment and are repayable on demand.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 10 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cash at bank and on hand	6,732	5,362	-	-
<b>Cash and cash equivalents</b>	<b>6,732</b>	<b>5,362</b>	<b>-</b>	<b>-</b>

#### 11 Deferred income tax liabilities

	Group	Company
	£'000	£'000
At 1 January 2022	7,942	-
Business Combinations	1,194	-
Recognised in the profit or loss	(765)	-
<b>At 31 December 2022</b>	<b>8,371</b>	<b>-</b>

Deferred tax asset not recognised	Group	Company
	£'000	£'000
At 1 January 2022	6,052	-
Tax interest expenses	-	-
Losses and other deductions	965	-
<b>At 31 December 2022</b>	<b>7,017</b>	<b>-</b>

Deferred tax assets have been recognised only to the extent that the directors consider it probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply when the asset is realised, or the liability is settled, and which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date: the rates that are expected to apply to the reversal of the timing difference.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 12 Share capital and other reserves

A Ordinary shares of £0.01 each	Group and Company	
	No. of	
<b>Allotted and fully paid</b>	<b>shares</b>	<b>£'000</b>
At 1 January 2022	1,700,000	17
Issued during the year	-	-
<b>At 31 December 2022</b>	<b>1,700,000</b>	<b>17</b>

B Ordinary shares of £0.01 each	Group and Company	
	No. of	
<b>Allotted and fully paid</b>	<b>shares</b>	<b>£'000</b>
At 1 January 2022	363,990	4
Issued during the year	29,000	-
Shares held by Employee Benefits Trust	-	-
Returned / forfeited during the year	-	-
<b>At 31 December 2022</b>	<b>392,990</b>	<b>4</b>

C Ordinary shares of £0.01 each	Group and Company	
	No. of	
<b>Allotted and fully paid</b>	<b>shares</b>	<b>£'000</b>
At 1 January 2022	-	-
Issued during the year	383,990	4
Shares held by Employee Benefits Trust	-	-
Returned / forfeited during the year	-	-
<b>At 31 December 2022</b>	<b>383,990</b>	<b>4</b>

Throughout the year, 29,000 (2021: 4000) Ordinary B £0.01 shares were issued for proceeds of £29,000 (2021: £4,000). Share capital of £290 (2021: £40) and share premium of £28,710 (2021: £3,960) were recognised on these issues. 383,990 Ordinary C £0.01 shares were issued for proceeds of £119,037, share capital of £3,840 and share premium of £115,197 were recognised on these issues.

There are currently 0 shares (2021: 23,000) being held by an Employee Benefit Trust, valued at £0 (2021: £5,000).

	No. of shares	Share capital £'000	Share premium £'000	Total £'000
<b>Group and Company</b>				
<b>At 31 December 2022</b>	<b>2,476,980</b>	<b>25</b>	<b>2,202</b>	<b>2,227</b>

A ordinary shareholders have the right to receive notice of, and to attend, speak and vote at all general meetings of the Company and shall receive, vote on and constitute an eligible member for the purposes of all written resolutions of the Company, with the right to cast a vote for each A ordinary share of which he is the holder.

B ordinary shareholders have the right to receive notice of but not attend, speak or vote at any general meeting of the Company other than in respect of a class meeting of any such relevant class of share

## **Bologna Topco Limited**

and have the right to receive but not vote on or constitute an eligible member for the purposes of any written resolution of the Company other than in respect of a written class resolution of any such class of share.

C ordinary shareholders have the right to receive notice of but not attend, speak or vote at any general meeting of the Company other than in respect of a class meeting of any such relevant class of share and have the right to receive but not vote on or constitute an eligible member for the purposes of any written resolution of the Company other than in respect of a written class resolution of any such class of share.

### **Other Reserves**

Other reserves consist of the share-based payment charge related to the issue of the B ordinary shares to directors and key employees, the details of which are included in Note 20.



## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 13 Trade and other payables

##### 13.1 Trade and other payables: amount falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	869	410	-	-
Taxation and social security	1,932	602	-	-
Other creditors	253	120	-	-
Deferred revenue and accrued expenses	18,512	12,553	(20)	(52)
<b>Total trade and other payables falling due within one year</b>	<b>21,566</b>	<b>13,685</b>	<b>(20)</b>	<b>(52)</b>

The fair values of trade and other payables is equivalent to the carrying amounts. On 18th November 2022, the group entered into a forward contract to sell \$9m at a rate of 1.2142 on 29th December 2023.

##### 13.2 Trade and other payables: amount falling due after more than one year

		Group		Company	
	Note	2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Amounts falling due between one and five years					
Loans and other borrowings	14	167,856	125,452	-	-
Other creditors		173	119	-	-
Deferred consideration		1,546	-	-	-
Contingent consideration		6,569	1,833	-	-
<b>Total trade and other payables falling due after more than one year</b>		<b>176,144</b>	<b>127,404</b>	<b>-</b>	<b>-</b>

Other creditors relate to the deemed rent liability during the rent-free period to February 2019, which is being amortised over the lease period. The lease expires in February 2029.

The contingent consideration relates to the acquisition of The Knowledge Partnership (UK) Limited, BMI Global Limited, Data HE Limited in 2021 and 2022. It is payable upon on the company achieving certain targets and is calculated at the net present value.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 14 Loans and other borrowings

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Loan notes and accrued interest	141,570	121,511	-	-
Bank finance	27,500	5,000	-	-
Capitalised borrowing costs	(1,214)	(1,059)	-	-
	<b>167,856</b>	<b>125,452</b>	<b>-</b>	<b>-</b>

##### Loan notes and bank finance

Bank financing of £5.0m was received in cash on 22 December 2020. The interest rate on the loan is 6.95%. Interest begins to accrue 12 months from the drawdown date and is payable monthly in arrears. The loan has a maturity date of 21 December 2024. The loan is secured and guaranteed by the Company and certain members of the Group.

Further financing of £14.5m was received in cash on 21<sup>st</sup> January, a further £2.0m was received in cash on 16 September 2022 and a further £6.0m was received in cash on 30 November 2022. The interest rate on the loan is 6.95%. Interest begins to accrue 12 months from the drawdown date and is payable monthly in arrears. The loan has a maturity date of 21 December 2024. The loan is secured and guaranteed by the Company and certain members of the Group.

Sterling denominated loan notes of £88.0m were issued on 28 February 2019 with a maturity date of 27 February 2025. The interest rate on the notes was amended via a deed of variation from 12% per annum to 10.5% per annum from 1 January 2022 and accrues on the principal amount on a daily basis and is compounded annually on 31 December each year. The full amount of the notes, less certain issue costs, was received in cash as at 28 February 2019.

The loan notes are secured and guaranteed by certain members of the Group. The bank loan is secured and guaranteed by the Company and certain members of the Group.

The fair value of the loans and other borrowings is equivalent to the carrying amounts.

##### Capitalised borrowing costs

Costs incurred in relation to the bank finance totalled £0.3m (2021: £Nil). The costs are capitalised and allocated to the profit and loss account over the term of the related debt facility. At 31 December 2022, borrowings are stated net of unamortised issue costs of £1.2m (2021: £1.1m).

#### 15 Investments

Company	Investment undertakings	Total
	£'000	£'000
<b>Cost</b>		
At 1 January 2022	2,096	1,944
Additions	149	152
<b>At 31 December 2022</b>	<b>2,245</b>	<b>2,096</b>
<b>Net book value</b>		
<b>At 31 December 2022</b>	<b>2,245</b>	<b>2,096</b>

## Bologna Topco Limited

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid, less any impairment. The directors believe that the carrying value of the investments is supported by their underlying net assets.

At 31 December 2022, the Company held the equity of the following principal subsidiary undertakings:

### Subsidiaries and related undertakings

Name	Address of the registered office	Nature of business	Interest
Bologna Midco 1 Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Financing company	100% ordinary shares
Bologna Midco 2 Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Holding company	100% ordinary shares
Bologna Bidco Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Holding company	100% ordinary shares
Bologna Finco Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Holding company	100% ordinary shares
THE World Universities Insights Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Information provider	100% ordinary shares
The Knowledge Partnership (UK) Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Information provider	100% ordinary shares
THE WUR Pty Ltd	250 Bay Street, Brighton, Victoria, 3186, Australia	Holding company	100% ordinary shares
Unijobs Global Pty Ltd	250 Bay Street, Brighton, Victoria, 3186, Australia	Information provider	100% ordinary shares
WUR, Inc.	160 Greentree Drive, Suite 101, Dover, Delaware, 19904, USA	Information provider	100% ordinary shares
THEWUR Singapore Pte Ltd	16-01, 6 Raffles Quay, Singapore, 048580	Information provider	100% ordinary shares
THEWUR Hong Kong Limited	26th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong	Information provider	100% ordinary shares
Inside Higher Ed	1150 Connecticut Ave, NW Ste 400, Washington DC	Information provider	100% ordinary shares

## Bologna Topco Limited

BMI Globaled Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Event provider	100% ordinary shares
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Data HE Limited	26 Red Lion Square, London, WC1R 4HQ, UK	Information provider	100% ordinary shares
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All the above subsidiaries are included in the consolidation. The Company's investment in Bologna Midco 1 Limited is direct ownership, all other investments are indirect ownership.

### 16 Audit exemption for subsidiary undertakings

#### Subsidiary companies' audit exemption

The Company has provided the following subsidiaries with a parental guarantee in accordance with section 479C of the Companies Act 2006. As such, advantage has been taken by the audit exemption available for the following subsidiary companies conferred by Section 479A of the Companies Act 2006 relating to the audit of the individual statements:

Subsidiary undertaking name	Registration number
Bologna Midco 1 Limited	11765920
Bologna Midco 2 Limited	11766067
Bologna Bidco Limited	11766220
Bologna Finco Limited	13814182
THE World Universities Insights Limited	11254317
BMI Globaled Limited	14243650
Data HE Limited	11016747
The Knowledge Partnership (UK) Limited	05161126

The directors acknowledge their responsibilities for:

- Ensuring that the Company keeps adequate accounting records which comply with Section 386 of the Companies Act 2006; and
- Preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2022 and of its income statement for the period then ended in accordance with the requirements of section 394 of the Companies Act 2006, and which otherwise comply with requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 17 Pension

The Group operates a defined contribution scheme in the form of a Group Personal Pension Plan for its employees. The assets of the Plan are held separately from those of the Group in an independently administered fund. The Group pays a fixed percentage contribution for each employee who is a member of the Group Personal Pension Plan. Contributions payable by the Group to the fund in respect of the period ended 31 December 2022 amounted to £1m (2021: £0.9m). Out of this amount, £nil was accrued at 31 December 2022 (2021: £nil).

#### 18 Auditors' remuneration

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the Company's auditors for the audit of the Group consolidated financial statements	64	43
Fees payable to the Company's auditors for other services:		
- Taxation related services	83	131
	<b>147</b>	<b>139</b>

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 19 Employees and directors

#### Employees

##### Group

The average monthly number of persons employed by the Group during the year was:

	2022	2021
Sales and engagement	97	64
Content	31	31
Data and technology	85	50
Summits and events	42	21
Administration and central functions	35	31
	<b>290</b>	<b>197</b>

#### Company

The company had no employees during 2022 or 2021 other than the directors.

#### Employees' remuneration

Employees' remuneration for the Group were as follows:

	Note	2022 £'000	2021 £'000
Wages and salaries		20,510	13,591
Share-based payments	20	149	152
Social security costs		2,000	1,373
Other pension costs	17	962	900
		<b>23,621</b>	<b>16,016</b>

#### Directors' remuneration

The directors' emoluments were as follows:

	2022 £'000	2021 £'000
Aggregate remuneration	708	1,034
Sums paid to related parties for directors' services (Note 21)	390	378
	<b>1,098</b>	<b>1,412</b>

Directors are considered the only key management individuals and therefore no separate disclosure of key management remuneration is required. Directors' fees of £0.4m (2021: £0.4m) were paid to Inflexion in respect of directors' services. Parent company Directors' remuneration has been presented above, with other Group company Directors' remuneration disclosed within wages and salaries.

No (2021: One) director purchased shares under an equity incentive scheme during the period.

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 19 Employees and directors (continued)

The highest paid director's emoluments were as follows:

	2022	2021
	£'000	£'000
Aggregate remuneration	290	443
Pension contributions	24	24
<b>Total emoluments</b>	<b>314</b>	<b>467</b>

The highest paid director did not purchase any shares under an equity incentive scheme during the year.

### 20 Share-based payments

The Group has in issue 340,990 ordinary B shares allotted to directors and key employees 4,000 B Ordinary shares. These shares can be sold only upon cessation of employment, at cost, or on sale of the business. These shares fall under the definition of share-based payments and are reported under FRS 102.

The fair value of the shares has been calculated using the Black Scholes model. The inputs to the model and fair value charge are:

Average exercise price on issue of all outstanding	£81.47
Price paid	£1.00
Dividend yield	0%
Forecast maturity	2024
Volatility	30%
Fair value of shares	£1,051,019
Balance at 1 January 2022	340,990
Granted in the period	-
Forfeited in the period	-
<b>Outstanding at 31 December 2022</b>	<b>340,990</b>

The total share-based payment credited to the income statement is £0.2m (2021: £0.2m charge). The total share-based equity recorded in the balance sheet is £0.6m (2021: £0.4m).

### 21 Related party disclosures

#### Group

##### *Transactions with associated parties*

During the year, a subsidiary of the ultimate parent company, Inflexion Global Rankings LLP, provided directors' services to the Group. Costs of £0.4m (2021: £0.4m) were recognised during the period. At 31 December 2022, £nil (2021: £nil) was owing and included within creditors.

Refer to Note 19 for disclosure of the directors' remuneration and key management compensation.

#### Company

Other than the transactions disclosed in Note 9 and Note 13, the Company's other related party transactions were with wholly owned subsidiaries.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 22 Controlling party

##### Group and company

The directors consider that the ultimate controlling party of the Company is Inflexion Private Equity Partners LLP, headquartered in the UK, on behalf of the funds under its management. These accounts are consolidated into the Inflexion Private Equity accounts which can be obtained from, 47 Queen Anne Street, London W1G 9JG.

Inflexion is a leading global private investment firm founded in 1999 with over £8 billion of assets under management and offices in London, Manchester, Amsterdam, Shanghai, Sao Paulo, Singapore and Bangalore. Inflexion has extensive experience with global private investments executed through leveraged buyouts, recapitalizations, spinouts, growth investments, joint ventures and restructurings. For more information visit [www.inflexion.com](http://www.inflexion.com).

#### 23 Financial instruments

	Note	2022 £'000	2021 £'000
<b>Financial assets that are debt instruments measured at amortised cost</b>			
Trade receivables	9	6,469	3,325
Accrued income		126	73
Other receivables	9	2,386	506
		<b>8,981</b>	<b>3,904</b>
<b>Financial liabilities measured at amortised cost</b>			
Loan notes	14	141,570	121,511
Bank finance	14	27,500	5,000
Capitalised borrowing costs	14	(1,214)	(1,059)
Trade creditors	13	869	410
Accruals		3,859	1,950
Other creditors, falling due within one year	13	253	120
Other creditors, falling due after more than one year	13	173	119
		<b>173,010</b>	<b>128,051</b>



## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 24 Notes to the statement of cash flows

	Note	2022 £'000	2021 £'000
Loss for the financial period		(19,474)	(19,997)
Tax on loss / (credit)	6	(40)	1,207
Net interest expense	5	14,998	13,389
Borrowing costs	5	592	472
		<b>(4,012)</b>	<b>(4,929)</b>
Amortisation of intangible assets	8	9,541	7,348
Impairment of intangible assets	8	-	-
Depreciation of tangible assets	7	240	209
Share-based payment charge	20	149	152
Revaluation of contingent consideration		-	306
Grant income		-	(485)
Increase in income tax liabilities	6	429	151
Working capital movements:			
- Decrease / (increase) in trade and other receivables		(653)	(656)
- Increase / (decrease) in trade and other payables		2,503	(1,132)
- Increase / (decrease) in other creditors		173	(106)
- Increase in deferred revenue and accrued expenses		(1,487)	1,800
<b>Cash flow from operating activities</b>		<b>6,971</b>	<b>2,658</b>

Exceptional items of £2.7m (2021: £0.1m) were paid during the year and are included within the loss for the financial period.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 24 Notes to the statement of cash flows (continued)

##### Analysis of changes in net debt

	Note	At 1 Jan 2022 £'000	Cash flows £'000	Non- cash changes £'000	Exchange movements £'000	At 31 Dec 2022 £'000
<b>Group</b>						
Cash at bank and in hand	10	5,362	1,375	-	(5)	6,732
<b>Cash and cash equivalents</b>		<b>5,362</b>	<b>1,375</b>	<b>-</b>	<b>(5)</b>	<b>6,732</b>
Loan notes	14	(121,511)	(6,500)	(13,559)	-	(141,570)
Bank finance	14	(5,000)	(22,500)	-	-	(27,500)
<b>Total</b>		<b>(121,149)</b>	<b>(27,625)</b>	<b>(13,559)</b>	<b>(5)</b>	<b>(162,338)</b>

Included within the non-cash changes is £13.4m (2021: £13.0m) of accrued interest on the loan notes which is payable on the loan maturity (Note 14).

#### 25 Commitments

##### Group

The Group had annual minimum commitments to make payments under non-cancellable operating leases for each of the following periods:

	2022 £'000	2021 £'000
<b>Payments due</b>		
Not later than one year	885	11
Later than one year and no later than five years	1,839	654
Later than five years	427	-
<b>Total capital and other commitments</b>	<b>3,151</b>	<b>665</b>

##### Company

At 31 December 2022, the Company had no financial commitments under non-cancellable operating leases (2021: £nil).

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 26 Events after the reporting period

The global pandemic, conflict in Ukraine and inflationary pressure are impacting on our customer and supply chain. However, the Group is not experiencing a material impact on performance and has been successful with actions taken to mitigate any impact.

In April 2023, THE WUR Inc acquired 100% of the share capital of Poets and Quants (P&Q). The acquisition was financed partly from cash within the business, as well as £5.5M of new bank debt.

After the reporting date on 31 December 2022, there were no other events of special significance which may have a material effect on the financial position and performance of the Group.

#### 27 Business combinations

##### Group

On 7 January 2022, the Group acquired 100% of the share capital of Inside Higher Ed, which is the leading source for the latest news, analysis and careers services specifically designed for US academics providing independent, thoughtful, substantive analysis and essential tools and services. The total consideration is \$24m.

The following table summarises the consideration paid by the Group, the fair value of the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

	Book values \$'000	Adjustments \$'000	Fair value \$'000
Property, plant and equipment	141	-	141
Intangible assets	-	6,421	6,421
Cash and cash equivalents	2,071	-	2,071
Trade and other receivables	2,680	-	2,680
Trade and other payables	(1,601)	-	(1,601)
Deferred revenue	(3,143)	397	(2,746)
Lease liability	(250)		(250)
Deferred tax liabilities	17	-	17
<b>Total identifiable net assets</b>	<b>(85)</b>	<b>6,818</b>	<b>6,733</b>
Goodwill			16,340
<b>Total consideration</b>			<b>23,073</b>

# Bologna Topco Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### Business combinations (continued)

The goodwill of \$16.3m arising from the acquisition is attributable to the value of the assembled workforce and additional value attributed by the acquirer to the future expected cash flows.

Management have estimated the useful life of the goodwill to be 20 years. The acquired company is established in their local markets and have a long track record of stable revenue.

The adjustments arising on acquisition were in respect of the following the recognition of brand names, customer relationships and the database in the acquired business at fair value. Included in the consolidated statement of profit and loss is revenue of £9.7m and profit of £2.7m generated from Inside higher ed.

On 16 September 2022, the Group acquired 100% of the share capital of BMI Global Limited. BMI are a global events company that run recruitment activities on the behalf of both educational institutions and governmental scholarship agencies to help them better engage with prospective students looking to study abroad. The total consideration is £9.6m. Of this £5.1m was paid in cash and £4.5m is contingent on the company reaching certain profit targets in the two years following the purchase. The fair value of the contingent consideration is valued at £3.7m. The amount recognised in the business combination is based on management's expectation for the performance at the acquisition date.

The following table summarises the consideration paid by the Group, the fair value of the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

	Book values £'000	Adjustments £'000	Fair value £'000
Intangible assets	73	1,848	1,921
Cash and cash equivalents	1,829	-	1,829
Trade and other receivables	1,874	-	1,874
Trade and other payables	(287)	-	(287)
Deferred revenue	(2,916)	221	(2,695)
Deferred tax liabilities	(97)	(450)	(547)
<b>Total identifiable net assets</b>	<b>476</b>	<b>1,619</b>	<b>2,095</b>
Goodwill			6,705
Cash consideration			4,496
Contingent consideration			3,674
Directly attributable costs			630
<b>Total consideration</b>			<b>8,800</b>

## **Bologna Topco Limited**

### **Notes to the financial statements for the year ended 31 December 2022 (continued)**

#### **Business combinations (continued)**

The goodwill of £6.7m arising from the acquisition is attributable to the value of the assembled workforce and additional value attributed by the acquirer to the future expected cash flows.

Management have estimated the useful life of the goodwill to be 20 years. The acquired company is established in their local markets and have a long track record of stable revenue.

The adjustments arising on acquisition were in respect of the following:

- (a) The recognition brand names and customer relationships in the acquired business at fair value.
- (b) Deferred tax adjustment arising as a result of the acquisition adjustments.

Included in the consolidated statement of profit and loss is revenue of £4.3m and profit of £1.7m generated from BMI Global Limited.

On 28 October 2022, the Group acquired 100% of the share capital of Data He Limited, which provides data and advanced analysis to support better decision making around the provision of higher education in the UK. The Company creates analytical models to answer key universal questions from their customer's leadership teams. The total consideration is £13.5m. Of this £9.5m was paid in cash, £1.7m is deferred consideration and £2.3m is contingent on the company reaching certain profit targets in the two years following the purchase. The fair value of the contingent consideration is valued at £2.0m and the fair value of the deferred consideration is £1.6m. The amount recognised in the business combination is based on management's expectation for the performance at the acquisition date.

The following table summarises the consideration paid by the Group, the fair value of the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

## Bologna Topco Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### Business combinations (continued)

The goodwill of £6.9m arising from the acquisition is attributable to the value of the assembled workforce and additional value attributed by the acquirer to the future expected cash flows.

Management have estimated the useful life of the goodwill to be 20 years. The acquired company is established in their local markets and have a long track record of stable revenue.

The adjustments arising on acquisition were in respect of the following:

- (a) The recognition of brand names, customer relationships and bespoke software in the acquired business at fair value.
- (b) Deferred tax adjustment arising as a result of the acquisition adjustments.

	Book values £'000	Adjustments £'000	Fair value £'000
Property, plant and equipment	22	-	22
Intangible assets	4	4,012	4,016
Cash and cash equivalents	317	-	317
Trade and other receivables	390	-	390
Loan receivable	2,720		2,720
Trade and other payables	(221)	-	(221)
Corporation tax	(140)	-	(140)
Deferred tax liabilities	-	(758)	(758)
<b>Total identifiable net assets</b>	<b>3,092</b>	<b>3,254</b>	<b>6,346</b>
Goodwill			6,857
Cash consideration			9,380
Contingent consideration			2,028
Deferred consideration			1,583
Directly attributable costs			212
<b>Total consideration</b>			<b>13,203</b>

Included in the consolidated statement of profit and loss is revenue of £0.2m and profit of £0.1m generated from Datahe Limited.