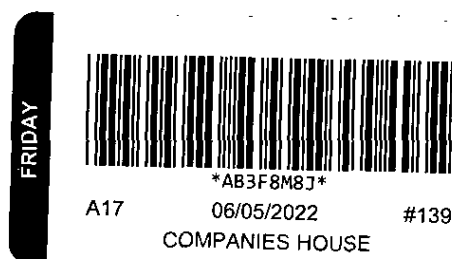


Annual report and financial statements Camelot Holdco Limited

For the year ended 31 August 2021



Company no. 08780031

Officers and professional advisers

Company registration number	08780031
Registered office	51-53 Hills Road Cambridge CB2 1NT
Directors	D Johnston B Webb
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

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Strategic Report

The directors present their strategic report on the group for the year ended 31 August 2021.

Principal activities

The principal activity of the group during the year was that of Cambridge Education Group Limited and its subsidiaries (CEG).

CEG, established in 1952, is a UK-based global group that specialises in the provision of high quality academic, English language and online programmes to international students out of its 12 ONCAMPUS centres across the UK, North America and continental Europe and 7 Digital university partnerships.

CEG recruits international students who wish to pursue an English language based university education. The group provides a broad range of programmes to enable students to progress to the university of their choice.

CEG operates its business through three divisions:

- **ONCAMPUS** – offering pathway programmes on university campuses in the UK, USA and Europe for undergraduate and postgraduate degree study.
- **CEG Digital** – providing online and blended learning courses in partnership with UK universities.
- **iheed** - leading the way in delivering high-quality online medical education.

The underlying principles across all divisions are:

- world-class provision of classroom-based and online teaching in the English language;
- helping students to achieve entry to the best universities according to their aspirations and abilities; and,
- exceptional pastoral care that ensures students' educational experience is also safe, healthy and enjoyable.

The international education sector remains an attractive and growing market with demographic trends driving an increased demand for Western education from the emerging markets. A growing middle class in the emerging markets with rising disposable incomes and lack of university places are the drivers for future market growth.

CEG is well placed to take advantage of these trends as it has a strong and diversified portfolio of study locations covering UK, USA and Europe, a global recruitment team located in all the key countries with high student demand, and a range of face-to-face and online product offerings allowing flexibility of delivery under several alternative commercial models.

Business review

The results for the year and financial position of the group are as shown in the financial statements. In the opinion of the directors the state of the group's affairs at 31 August 2021 was satisfactory in the context of sector- and economy-wide disruption caused by the global coronavirus pandemic.

Continuing operations

The year to 31 August 2021 was adversely impacted by the global coronavirus pandemic, and by restrictions placed on international travel as part of the governmental response of various nations in which CEG operates. This resulted in a reduced Autumn 2020 new student intake at ONCAMPUS, which drove a 14% reduction in total group revenue (2021: £52.0m; 2020: £60.6m).

The group was able to leverage CEG Digital's expertise in online curriculum development and teaching to quickly pivot to online delivery at all ONCAMPUS centres and secure a record Winter 2020 new student intake, but students' inability to travel to centres in the UK, USA and Europe caused a temporary

reduction in demand for ONCAMPUS' accommodation product and further impacted revenue. CEG Digital again saw record student numbers across its portfolio, and successfully launched a new partnership with the University of Portsmouth during the year.

A key measure often used to monitor the performance of a business is underlying EBITDA, which is: earnings before interest, tax, depreciation and amortisation, excluding the effects of any start-up and one-off costs. This measure is used to assess the underlying performance of the business as it is indicative of the performance of the business in the longer term, excluding the short term effects of building a capable and profitable business.

Reconciliation of loss before interest and tax to underlying EBITDA:

	2021	2020
	£'000	£'000
Loss before interest and tax	(6,058)	(3,551)
Add back:		
Depreciation	515	730
Amortisation	5,143	4,785
Separately disclosed costs	1,530	5,209
Start-up losses at new partnerships	2,124	615
Underlying EBITDA	<u>3,254</u>	<u>7,788</u>

The group recorded positive underlying EBITDA of £3.3m in the year, representing a year-on-year decrease due to the material impact of the coronavirus pandemic on the Autumn 2020 new student intake at ONCAMPUS.

Separately disclosed costs include expenses relating to the setup of the group's new global recruitment hub in Hong Kong and non-recurring costs to close the ONCAMPUS Coventry partnership.

Start-up losses represent operating losses at CEG Digital's partnership with the University of Portsmouth launched in January 2021, and operating costs at pre-revenue centres (ONCAMPUS Aston, ONCAMPUS Southampton, CEG Digital UCLan) launching in September 2022.

During the year the group agreed a reduction in UK VAT liabilities outstanding at the previous balance sheet date with HMRC via a claim for increased recovery of input VAT. The impact of this recovery was £1.4m and is included in the result for the year.

Capital expenditure for the year totalled £4.4m (2020: £1.9m). Of this, £3.4m has been invested in developing new course content for online delivery through CEG Digital's university partnerships, iheed's online medical courses, and in building ONCAMPUS' capability to offer flexible online and blended tuition. The balance of (tangible) fixed asset expenditure was incurred during setup of the new ONCAMPUS partnerships at Aston and Southampton (both launching September 2021), and in maintaining and developing the group's underlying IT platforms and capabilities.

Acquisition of iheed and Castel

On 1 April 2021, the group acquired Irish online medical education provider iheed Health Training Limited ('iheed') through its subsidiary Cambridge Education Group Limited. Built by doctors and healthcare professionals, iheed partners with world leading medical universities including the University of Warwick and the Royal College of Physicians of Ireland to reimagine and transform the delivery of postgraduate medical education.

On 23 August 2021, the group acquired Irish medical education pathway provider Castel International (Education) Limited ('Castel') through its subsidiary CEG UFP Limited. Castel provides wide-ranging pathway programs including pharmacy, podiatric medicine and occupational therapy for both

undergraduate and postgraduate students, and has a significant track-record of innovative program development and strategic partnerships with a number of leading Irish institutions.

Covid-19 impact

The group's operations were impacted by the COVID-19 pandemic during the year, and by the response of national governments and the evolving needs of key stakeholder groups. Due to the group's global presence and diversified product offering, the nature and extent of that impact varied across the geographies and market sectors in which the group operates.

Working closely with governments, regulators, universities, and our global agent network, the group continued to deliver its programmes of study to ONCAMPUS, Digital and iheed students throughout the disruption caused by the pandemic. All ONCAMPUS centres across the UK and Europe pivoted to online delivery where required by students throughout the academic year, which significantly reduced the risk to student volume and revenue. Where ONCAMPUS revenue was adversely impacted, that division's flexible commercial model enabled short-term reductions in operating costs that partially mitigated the impact on operating profit. Continuing restrictions and uncertainty around international travel led to an increased proportion of students attending classes online, causing a temporary reduction in demand for ONCAMPUS' accommodation product. The Digital business contributed vital expertise and agility to facilitate the transition to remote learning in our pathways business, highlighting its strategic value to the group, while continuing to deliver rapid growth in its own right.

ONCAMPUS

ONCAMPUS revenue decreased to £39.6m (2020: £54.4m) due to a pandemic-impacted Autumn 2020 new student intake and a temporary reduction in demand for its accommodation product as a result of restrictions on international travel. ONCAMPUS operates a flexible cost model, and maintained its margin on the core tuition product broadly in line with performance in 2020. Reduced accommodation demand resulted in negative margin on this product, which adversely impacted the overall profitability of the ONCAMPUS division.

During the year ONCAMPUS signed new long-term partnerships with Aston University and the University of Southampton, which represented the first ONCAMPUS Russell Group partnership. Both centres launched in September 2021 and are expected to drive future growth in the scale and profitability of this division.

CEG Digital

Working closely with partner universities, CEG Digital helps create, market and deliver part-time online and blended university programmes to students around the world. It uses cutting-edge technology, sector-leading pedagogy, and first-class student support to provide an outstanding educational experience. During the year, CEG Digital provided courses in partnership with Falmouth University, the University of Southampton, Queen Mary University of London, the University of Hull, Bayes Business School and the University of Portsmouth.

CEG Digital continued its strong growth trajectory, with revenue of £12.1m (2020: £6.2m). This translated to a first significant profit at EBITDA level for the division of £1.3m (2020: £0.0m). Results are stated inclusive of start-up losses at new centres yet to reach full scale (Portsmouth and UCLan), which the directors anticipate will contribute to significant future growth in both revenue and profitability.

The group continues to invest in building its capability and course portfolio. CEG Digital signed a new long-term partnership during the year with the University of Central Lancashire ('UCLan'), building on the existing relationship between UCLan and ONCAMPUS to develop, market and deliver a portfolio of online postgraduate programmes from September 2021. In addition to ongoing business development activity with new and prospective university partners, CEG Digital continues to add new programmes with existing partners, with additional course launches expected during 2021/22.

Future developments

CEG is now focused on returning to growth in its core ONCAMPUS business as international student demand recovers following the initial impact of the global coronavirus pandemic, while continuing to expand its online offering through CEG Digital and leveraging opportunities in the medical education sector through newly-acquired entities iheed and Castel. Continued growth in student volumes through both new and existing university partnerships in the United Kingdom, Europe and the USA is at the heart of the group's strategic plans, along with expansion of the group's online courses.

Financial and non-financial key performance indicators

The board and management use the following key performance indicators (KPIs) to monitor the success of the business:

- student volume;
- turnover growth;
- gross margin;
- underlying EBITDA;
- signing and launching new ONCAMPUS and Digital partnerships.

During the year, for continuing operations of CEG:

- student volume remained similar to 2020 with over 4,000 new students recruited, with a reduction in ONCAMPUS offset by continued growth in CEG Digital;
- turnover decreased by 14% from 2020's record high to £52.0m due to a pandemic-impact Autumn 2020 intake in ONCAMPUS;
- gross margin was largely unchanged at 56.3% (2020: 57.1%);
- underlying EBITDA decreased due to reduced revenue at ONCAMPUS;
- CEG Digital successfully launched its partnership with University of Portsmouth, and both Digital and ONCAMPUS signed new long-term partnerships with leading UK universities (Aston, Southampton, UCLan) launching in September 2021.

The directors consider this performance to be satisfactory in the context of the disruption caused to demand in key source markets by the global coronavirus pandemic and the impact on international travel of restrictions imposed by national governments.

Directors' duties under section 172 of the Companies Act 2006

When performing their duties under section 172 of the Companies Act 2006 the directors must have regard to the following considerations:

- the likely consequence of any decisions in the long-term;
- the interests of the group's employees;
- the need to foster the group's business relationships with suppliers, customers and others;
- the impact of the group's operations on the community and environment;
- the desirability of the group maintaining a reputation for high standards of business conduct;
- the need to act fairly as between shareholders of the group.

We have detailed below how the directors have done so during the year.

2021 was a year of change for Cambridge Education Group with: operational agility in response to the coronavirus pandemic, both in our traditional "face-to-face" ONCAMPUS centres and in our administrative head office locations; multiple acquisitions with significant revenue and EBITDA growth potential; increased business development activity in line with the group's objective of developing its online and pathway offerings (including establishment of several new long-term partnerships); and significant growth in online revenue at CEG Digital. These changes were driven by strategic decisions made to ensure we manage our business with a focus on creating long term sustainable value for our shareholders.

Set out in the below table is management's assessment of our key stakeholder groups, detailing how the board has considered the issues and factors that impact them and how engagement has impacted board decisions and company strategies during the financial year.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
Shareholders	The board is accountable to its shareholders and must act in a way that is likely to promote the success of the group for the benefit of its members as a whole. The group seeks to maintain effective dialogue with its shareholders, to ensure that their views and any concerns they may have are understood and considered.	Regular monthly board meetings, complemented by separate consideration of relevant issues at meetings of the remuneration committee and audit committee.	Acquisitions of iheed and Castel, signing of new long-term partnerships with ONCAMPUS Aston / Southampton and Digital UCLan.
Customers (e.g. university partners)	Delivering a service that meets the needs of our customers in all of the markets in which we operate is fundamental to our success.	University 'partner insights' feedback survey, regular university board / steering group meetings.	
Students	Students are at the heart of what the group is trying to achieve, and as such we rely heavily on their feedback and evaluation of their learning experiences. Both ONCAMPUS and Digital actively engage students, individually and collectively, in the quality of their educational experience.	Induction surveys, end of programme surveys, representation at centre audits and on relevant committees (e.g. staff-student consultative committees).	Continuation of staggered start dates and flexible modes of delivery (e.g. face-to-face, online-only, blended) in response to existing and prospective student requirements during coronavirus disruption. #ByYourSide initiative including pre-arrival and travel support, and facilitation of access to health and vaccination services.
Suppliers (e.g. our agent network)	Strong working relationships with our suppliers is crucial to the effectiveness of our entire operation, enhancing our efficiency and creating value.	Agent surveys, 'familiarisation trips' to allow agents to experience our product first-hand.	Creation of global recruitment hub, based in Hong Kong, to embed student recruitment and admissions functions in or close to our key source markets.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
Employees	Our people, including both permanent and temporary staff, and both employees and contractors, are what makes our business what it is. We rely on them to uphold our vision, values and culture, to deliver on our strategic priorities and to create long term sustainable value for our shareholders and stakeholders.	‘#CEGConnected’ engagement strategy includes daily updates for staff, new HR Connect line managers portal, and forums for 2-way employee dialogue. Employees are given individual objectives that form part of a group ‘cascade’, aiding alignment with the group’s strategic priorities at all levels. Group-wide “culture survey” facilitated through external provider during 2021.	Introduction of group agile working policy, allowing most employees to work from home for up to 50% of their scheduled workdays. Introduction of enhanced cleaning and Covid testing / tracing protocols to protect staff during coronavirus pandemic.
Debt providers and banking partners	By providing funds for the group’s working capital and general corporate purposes, our debt providers play an important role in our business.	Provision of annual budgets and monthly actual financial information to banking providers, annual senior management team presentation to lenders.	Financing structure of ihced and Castel acquisitions. Extension of (undrawn) RCF to provide continued liquidity.

Principal risks and uncertainties

In common with other businesses of a similar nature, the group is exposed to a variety of risks and uncertainties. The directors believe the principal risks are:

- impact of changes in immigration policies and visa application processes;
- global reduction in international movement of students;
- adverse movements in interest and exchange rates; and,
- significant disruption in the trading ability of the group due to one-off global and macro-economic events.

The policies and procedures in place to monitor and manage these risks include:

- investing and operating in more than one country to disaggregate the geographical, political and currency risks;
- operating business in a number of different but related market segments; and,
- employing staff, consultants and professional advisers with appropriate competences to mitigate both current and foreseeable business risks.

Financial risk management objectives and policies

The group uses various financial instruments including bank loans, loan notes, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is working capital for the group's operations, and finance for capital investment in expanding the group's portfolio of university partnerships and academic courses.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk, foreign exchange risk, price risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The group finances its operations through a mixture of equity, bank borrowings and loan notes. The group's exposure to interest rate fluctuations is not considered to be significant as the majority of the group's financing is at fixed interest rates.

Liquidity risk

The group seeks to manage financial risk by preparing detailed cash flow forecasts and ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by a revolving credit facility, which remained undrawn during the year.

Foreign exchange risk

The group operates internationally and is exposed to foreign currency transactional risk arising from various currency exposures. Foreign exchange risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The group also has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk primarily with respect to the US dollar and Euro. The exposure to foreign currency risk is naturally hedged with future development plans.

Price risk

The group seeks to manage price risk by setting price lists for all products and agreeing policies and approval procedures for discounts and other price incentives, such as bursaries.

Credit risk

The group's principal financial assets are cash and trade debtors. In order to manage credit risk, the directors prioritise the credit control function and clear guidelines are in place for dealing with slow payers.

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



D Johnston
Director

Directors' report

The directors present their report and the audited financial statements of the group and company for the year ended 31 August 2021.

A review of the business, including financial key performance indicators and principal risks and uncertainties, and financial risk management, together with a summary of future developments is included in the strategic report under s414 of the Companies Act 2006 and are therefore, not shown in the directors' report. Directors' duties under section 172 of the Companies Act 2006 are also described in the strategic report and are not included in this directors' report.

Results and dividends

The loss for the financial year amounted to £18,198,000 (2020: £14,453,000 loss). No dividend has been paid during the year (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

Directors

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

D Johnston
B Webb

Future developments and risk management

Future developments and the principal risks and uncertainties and arrangements for their management are described in the strategic report on pages 3 to 9.

Going concern

The group meets its day-to-day working capital requirements through its banking facilities and cash held. The directors have prepared both detailed budgets and long term forecasts, taking account of possible changes in trading performance. Having considered possible trading scenarios over the foreseeable future, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, within the level of existing facilities, and to meet long term liabilities as they fall due. The directors are also satisfied that the group's resources are adequate to cover any ongoing short- to medium-term adverse impact from Covid-19. During the year the repayment date on the group's intragroup loans and loan notes were extended to August 2027. The group and company therefore continue to adopt the going concern basis in preparing its financial statements.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the group's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

Through regular meetings and other internal communications, the group keeps employees informed of and consulted on matters affecting them as employees and of the financial and economic factors affecting the performance of the group. Where relevant and appropriate, employees are eligible for performance related remuneration based on the achievement of personal and corporate objectives.

Development expenditure

Development costs that are directly attributable to the design, development and testing of certain identifiable software products and course materials controlled by the group are recognised as intangible assets.

Streamlined carbon and energy reporting

None of the group's subsidiaries meet the definition of a large company and the group's parent company is also a low energy user. This means that neither the parent company nor its subsidiaries are obliged to include energy and carbon information in this directors' report.

Statement of directors' responsibilities

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

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

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

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

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

Disclosure of information to auditors

All of the current directors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Independent auditor

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487 (2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

On behalf of the board



D Johnston
Director

22 December 2021

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF CAMELOT HOLDCO LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 August 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Camelot Holdco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2021 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the company statement of financial position, the company statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

- the information given in the 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 Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Based on our understanding of the Group and the sector in which it operates, we identified the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the entity's continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks we related to posting inappropriate journal entries to manipulate financial results and management bias in making accounting estimates.

The audit procedures to address the risks identified included:

- challenging assumptions made by management in their accounting estimates and judgements
- identifying and testing journal entries selected based on specific risk criteria
- reading minutes of meetings of the board and review of legal correspondence.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Kieran Storan
B74264A83FEC4B7...

Kieran Storan (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street, London W1U 7EU
23 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement for the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Revenue	6	52,038	60,589
Cost of sales		(22,764)	(25,978)
Gross profit		29,274	34,611
Administrative expenses		(35,455)	(39,896)
Other operating income		123	1,734
Loss before interest and taxation	7	(6,058)	(3,551)
Interest receivable and similar income	10	4	46
Interest payable and similar expenses	11	(14,377)	(12,515)
Loss before tax		(20,431)	(16,020)
Taxation	12	2,233	1,567
Loss for the financial year		(18,198)	(14,453)
Loss attributable to:			
Owners of the parent		(18,036)	(14,453)
Non-controlling interests		(162)	-
		(18,198)	(14,453)

All of the activities of the group were classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Consolidated statement of comprehensive income for the year ended 31 August 2021

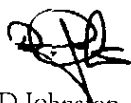
	2021 £'000	2020 £'000
Loss for the financial year	(18,198)	(14,453)
Other comprehensive income for the year		
Foreign exchange on retranslation of overseas subsidiaries, attributable to:		
Owners of the parent	104	469
Non-controlling interests	12	-
	<u>116</u>	<u>469</u>
Total comprehensive expense for the year	<u>(18,082)</u>	<u>(13,984)</u>
Total comprehensive expense attributable to:		
Owners of the parent	(17,932)	(13,984)
Non-controlling interests	(150)	-
	<u>(18,082)</u>	<u>(13,984)</u>

Consolidated statement of financial position

as at 31 August 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	13	57,877	46,190
Tangible assets	14	1,460	909
		<u>59,337</u>	<u>47,099</u>
Current assets			
Debtors	16	21,776	18,042
Cash at bank and in hand		12,872	30,524
		<u>34,648</u>	<u>48,566</u>
Creditors: amounts falling due within one year	17	<u>(32,414)</u>	<u>(30,702)</u>
Net current assets		<u>2,234</u>	<u>17,864</u>
Total assets less current liabilities		61,571	64,963
Creditors: amounts falling due after more than one year	18	(144,412)	(131,513)
Provisions for liabilities	20	(705)	(274)
Net liabilities		<u>(83,546)</u>	<u>(66,824)</u>
Capital and reserves			
Called-up share capital	22	37,767	37,767
Other reserves		1,279	1,175
Accumulated losses		<u>(123,802)</u>	<u>(105,766)</u>
Total equity attributable to the owners of the parent		(84,756)	(66,824)
Non-controlling interests		<u>1,210</u>	<u>-</u>
Total equity		<u>(83,546)</u>	<u>(66,824)</u>

The financial statements on pages 15 to 52 were approved by the directors and authorised for issue on 22 December 2021 and are signed on their behalf by:



D Johnston
Director

Company registration number: 08780031

Consolidated statement of changes in equity for the year ended 31 August 2021

	Called-up share capital	Other reserves	Accumulated losses	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 September 2019	37,767	706	(91,313)	(52,840)	-	(52,840)
Loss for the financial year	-	-	(14,453)	(14,453)	-	(14,453)
Other comprehensive income for the financial year	-	469	-	469	-	469
Total comprehensive income/(expense) for the financial year	-	469	(14,453)	(13,984)	-	(13,984)
At 31 August 2020	37,767	1,175	(105,766)	(66,824)	-	(66,824)
At 1 September 2020	37,767	1,175	(105,766)	(66,824)	-	(66,824)
Loss for the financial year	-	-	(18,036)	(18,036)	(162)	(18,198)
Other comprehensive income for the financial year	-	104	-	104	12	116
Total comprehensive income/(expense) for the financial year	-	104	(18,036)	(17,932)	(150)	(18,082)
Non-controlling interest arising on business combination	-	-	-	-	1,360	1,360
At 31 August 2021	37,767	1,279	(123,802)	(84,756)	1,210	(83,546)

Company statement of financial position

as at 31 August 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	15	<u>37,767</u>	<u>37,767</u>
Current assets			
Debtors due within one year	16	9	9
Debtors due after more than one year	16	<u>129,778</u>	<u>116,917</u>
		129,787	116,926
Creditors: amounts falling due within one year	17	(46)	(46)
Net current assets		<u>129,741</u>	<u>116,880</u>
Total assets less current liabilities		167,508	154,647
Creditors: amounts falling due after more than one year	18	(129,778)	(116,917)
Net assets		<u><u>37,730</u></u>	<u><u>37,730</u></u>
Capital and reserves			
Called-up share capital	22	37,767	37,767
Accumulated losses		(37)	(37)
Total equity		<u><u>37,730</u></u>	<u><u>37,730</u></u>

The profit after tax dealt with in the financial statements of the company and attributable to members was £nil (2020: £37,000 loss).

The financial statements on pages 15 to 52 were approved by the directors and authorised for issue on 22 December 2021 and are signed on their behalf by:



D Johnston
Director

Company registration number: 08780031

Company statement of changes in equity for the year ended 31 August 2021

	Called-up share capital £'000	Accumul- ated losses £'000	Total equity £'000
At 1 September 2019	37,767	-	37,767
Loss for the financial year	-	(37)	(37)
Total comprehensive expense for the financial year	-	(37)	(37)
At 31 August 2020	37,767	(37)	37,730
At 1 September 2020	37,767	(37)	37,730
Result for the financial year	-	-	-
Total comprehensive expense for the financial year	-	-	-
At 31 August 2021	37,767	(37)	37,730

Consolidated statement of cash flows

for the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Net cash outflow from operating activities	23	(4,088)	(5,422)
Tax received		239	42
Net cash used in operating activities		(3,849)	(5,380)
Cash flow from investing activities			
Purchase of subsidiaries (net of cash acquired)	27	(7,886)	-
Purchase of intangible assets	13	(3,410)	(1,284)
Purchase of tangible assets	14	(1,011)	(664)
Net cash used in investing activities		(12,307)	(1,948)
Cash flow from financing activities			
Interest received		4	46
Interest paid		(1,476)	(37,623)
Proceeds of borrowings		-	15,000
Net cash used in financing activities		(1,472)	(22,577)
Decrease in cash and cash equivalents		(17,628)	(29,905)
Effect of exchange rates on cash and cash equivalents		(24)	(15)
Cash and cash equivalents at 1 September		30,524	60,444
Cash and cash equivalents at 31 August	23	12,872	30,524

Notes to the financial statements

1 General information

Camelot Holdco Limited (“the company”) is a private company limited by shares and incorporated in the United Kingdom under the Companies Act and is registered in England. The address of the registered office, which is also the principal place of business, is given on page 1. The nature of the company’s operations and principal activities of the company and its subsidiaries (together, “the group”) are set out in the strategic report on pages 3 to 9.

2 Statement of compliance

The group and individual financial statements have been prepared in compliance with United Kingdom Accounting Standards including “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

3 Summary of significant accounting policies

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

a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historic cost convention, as modified by the recognition of certain assets measured at fair value.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling and overseas operations are included in accordance with the accounting policies set out below.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 4.

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

b) Going concern

The group meets its day-to-day working capital requirements through its banking facilities and cash held. The directors have prepared both detailed budgets and long term forecasts, taking account of possible changes in trading performance. Having considered possible trading scenarios over the foreseeable future, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, within the level of existing facilities, and to meet long term liabilities as they fall due. The directors are also satisfied that the group’s resources are adequate to cover any ongoing short- to medium-term adverse impact from Covid-19. The group and company therefore continue to adopt the going concern basis in preparing its financial statements.

3 Summary of significant accounting policies (continued)

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiary undertakings made up to 31 August.

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

Where a subsidiary has different accounting policies to the group, appropriate adjustments are made to those subsidiaries to conform to group accounting policies.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for under the acquisition method. Thereafter where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference in fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made in the carrying value of assets, liabilities or provisions for contingent liabilities.

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

d) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions are recognised in the income statement.

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

The trading results of group undertakings are translated into the functional currency at monthly average exchange rates period by period during the year. 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 year end. Exchange adjustments arising from the retranslation of opening net investments and from translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

3 Summary of significant accounting policies (continued)

e) Revenue

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

Revenue shown in the income statement represents amounts receivable in respect of the provision of educational and tuition services and other ancillary services, and is recognised as the performance of those services occurs.

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

The group had a transitional services agreement to provide certain support functions to CATS Colleges. Income that was received from this arrangement has been recognised on an accruals basis in 'Other operating income'.

f) Interest

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

g) Dividends

Dividend income is recognised when the right to receive payment is established.

h) Operating leases

Operating leases are arrangements where substantially all of the benefits and risks of ownership remain with the lessor and rentals under such arrangements are charged against profits on a straight line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the whole life of the lease.

i) Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, private medical cover 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.

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

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

3 Summary of significant accounting policies (continued)

j) **Borrowing costs**

All borrowing costs are recognised in the income statement in the period in which they are incurred, using the effective interest rate method.

k) **Current tax**

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

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

l) **Deferred taxation**

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

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

m) **Intangible assets and goodwill**

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

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

Goodwill is the difference between the fair value of the purchase consideration and the fair value of the group's share of the identifiable assets and liabilities acquired. Such goodwill can arise on the acquisition of an unincorporated business or on consolidation of an acquired incorporated business, accounted for by application of the purchase method.

Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently when necessary, if circumstances indicate that its carrying value may not be recoverable. It is amortised to the income statement over its estimated economic life.

The cost of a business 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. Where control is achieved in stages, the cost is the consideration at the date of each transaction.

On acquisition, goodwill is allocated to the cash-generating units (CGUs) that are expected to benefit from the combination.

Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

3 Summary of significant accounting policies (continued)

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

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

Costs associated with maintaining computer software are recognised as an expense as incurred.

n) Amortisation of intangible assets and goodwill

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

Goodwill on consolidation	10 to 20 years straight line (see below)
Software and educational content	4 to 10 years straight line

Goodwill on consolidation of acquisitions before 1 September 2014 has been amortised over 20 years, that being the useful life that could be reliably estimated on the date of acquisition, and will continue to be amortised over that period unless there is a subsequent change in circumstances which makes the basis of that estimate no longer valid.

Amortisation is charged to administrative expenses in the income statement.

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

o) Tangible assets

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

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

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

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

3 Summary of significant accounting policies (continued)

p) Depreciation and residual values

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

Fixtures, fittings, furniture and equipment	3 to 5 years straight line
---	----------------------------

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

q) Impairment of non-financial assets

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

r) Investments

Investments in a subsidiary company are valued at cost less accumulated provision for impairment.

s) Leased assets

Assets obtained under hire purchase contracts, finance leases and other similar arrangements where substantially all of the benefits and risks of ownership are assumed by the company are capitalised as tangible assets and are depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of finance charge allocated to future periods and the finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding at each period end.

t) Cash and cash equivalents

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

u) Current debtors and creditors

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

3 Summary of significant accounting policies (continued)

v) Provisions and contingencies

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required in settlement of the obligation and the amount of the obligation can be measured reliably.

Where there are a number of similar obligations, the probability that an outflow will be required is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the future obligations using a pre-tax discount rate that reflects current market assessments of the time value of money and the obligation specific risks. Any unwinding of a discount due to the elapse of time is treated as a finance cost.

Contingent liabilities arise as a result of past events where it is either not probable that there will be an outflow of resources or the amount cannot be reliably measured or where the existence or otherwise of an obligation can only be determined by the outcome of uncertain future events that are not wholly within the group's control.

Contingent liabilities are not recognised, except those which may be acquired in a business combination but are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised and are only disclosed if the inflow of economic benefits is probable.

w) Financial instruments

Basic financial assets, including trade and other debtors, amounts owed by group undertakings, accrued income, and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Financing transactions are measured at the present value of the future receipts discounted at the market rate of interest and are subsequently carried at amortised cost using the effective interest method.

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

Basic financial liabilities including trade and other creditors, amounts owed to group undertakings and accruals, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at present value of the future receipts discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

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

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

3 Summary of significant accounting policies (continued)

Derivatives which are not basic financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or income as appropriate.

To date the group has not applied hedge accounting to any transactions.

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

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

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

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4 Critical accounting estimates and judgements

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

Useful economic lives of intangible and tangible assets

The annual amortisation and depreciation charges for intangible and tangible assets are sensitive to changes in the estimated useful economic lives and the residual values of the assets. The estimated useful economic lives and residual values are considered annually. The carrying amount of intangible and tangible assets are shown in notes 13 and 14 respectively and the useful economic lives for each class of assets are shown in notes 3(n) and 3(p).

4 Critical accounting estimates and judgements (continued)

Impairment of intangible assets and goodwill

The group considers whether intangible assets and/or goodwill are impaired. This estimate is based on a variety of factors such as expected use of the acquired business, the expected useful life of cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of a similar business. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the CGUs. This requires estimation of the sector valuation and/or future cash flow from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. The net carrying amount of the debtors and the associated impairment provision are given in note 16.

Taxation

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

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

5 Disclosure exemptions

As a consolidated income statement is published, a separate income statement for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and,
- from the key management personnel compensation disclosures required under FRS102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures.

6 Revenue

The revenue and loss on ordinary activities before taxation are attributable to the principal activities of the group. An analysis of revenue is given below:

	2021	2020
	£'000	£'000
United Kingdom	44,028	52,976
Europe	7,175	6,839
North America	835	774
	<u>52,038</u>	<u>60,589</u>

All revenue comprises provision of education and ancillary services.

7 Loss before interest and taxation

The loss before interest and taxation is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Amortisation of goodwill and intangible assets	5,143	4,626
Impairment of intangible assets (included in 'Administrative expenses')	-	159
Depreciation of tangible assets	297	730
Loss on disposal of tangible assets	218	-
Impairment of trade debtors	569	533
Auditor's remuneration:		
- Audit fees for the group	164	135
- Tax advisory	4	-
- Tax compliance	1	-
- Other assurance	4	-
- Other non-audit related	4	-
Operating lease charges	8,530	9,992
Net loss/(gain) on foreign currency translation	33	(83)

8 Particulars of employees

The average monthly number of staff employed by the group during the year was:

	2021 No.	2020 No.
Teaching, academic and other centre-based staff	227	248
Sales, administration and management	308	269
	<u>535</u>	<u>517</u>

The aggregate payroll costs of employees were:

	2021 £'000	2020 £'000
Wages and salaries	19,772	18,427
Social security costs	1,764	1,539
Other pension costs	347	190
	<u>21,883</u>	<u>20,156</u>
Amounts capitalised to intangible assets (software)	(1,831)	(750)
Charge to income statement	<u>20,052</u>	<u>19,406</u>

The company had no employees (2020: none).

9 Directors and key management

Remuneration in respect of directors was as follows:

	2021 £'000	2020 £'000
Emoluments receivable	918	1,002
Pension contributions	1	2
Compensation for loss of office	-	133
	<u>919</u>	<u>1,137</u>
Total emoluments of highest paid director (excluding pension contributions)	<u>410</u>	<u>286</u>

One director accrued benefits under a defined contribution pension scheme (2020: three).

9 Directors and key management (continued)

Remuneration in respect of key management, comprising the directors and other senior management who together have authority and responsibility for planning, directing and controlling the activities of the group, was as follows:

	2021 £'000	2020 £'000
Salaries and other short term benefits	1,309	2,023
Pension contributions	3	20
Compensation for loss of office	-	239
	<u>1,312</u>	<u>2,282</u>

10 Interest receivable and similar income

	2021 £'000	2020 £'000
Bank interest	1	46
Other interest	3	-
	<u>4</u>	<u>46</u>

11 Interest payable and similar expenses

	2021 £'000	2020 £'000
Financing costs of bank borrowing	1,516	261
Interest on intra group loans	12,861	12,198
Other interest payable	-	56
	<u>14,377</u>	<u>12,515</u>

12 Tax on loss

(a) Tax credit included in the income statement

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax for the year at 19% (2020: 19%)	2,084	1,929
Adjustments in respect of prior periods	205	(494)
Overseas tax	(214)	(202)
Total current tax credit	2,075	1,233
Deferred tax:		
Origination and reversal of timing differences	104	136
Adjustments in respect of prior periods	(106)	162
Impact of change in tax rate	160	36
Total deferred tax credit	158	334
Tax credit for the year	2,233	1,567

(b) Reconciliation of tax credit

The tax credit assessed on the loss for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Loss before tax	20,431	16,020
Loss before tax multiplied by rate of tax	3,882	3,044
Gains not taxable	-	28
Expenses not deductible for tax purposes	(1,232)	(1,018)
Adjustments in respect of prior periods	99	(332)
Unrelieved losses	(619)	(23)
Impact of change in tax rate	160	36
Other	(57)	(168)
Total tax credit	2,233	1,567

12 Tax on loss (continued)

(c) Tax rate changes

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2021 (on 24 May 2021). These include increases to the main rate to 25% from 1 April 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

13 Intangible assets

Group	Goodwill £'000	Software and content £'000	Total £'000
Cost:			
At 1 September 2020	216,844	9,498	226,342
Additions	-	3,410	3,410
Acquisitions	8,771	4,557	13,328
Disposals	-	(2,917)	(2,917)
Reduction on previous disposals	(110,608)	-	(110,608)
Foreign exchange movement	49	43	92
At 31 August 2021	115,056	14,591	129,647
Accumulated amortisation:			
At 1 September 2020	174,049	6,103	180,152
Charge for the year	3,446	1,697	5,143
Disposals	-	(2,917)	(2,917)
Reduction on previous disposals	(110,608)	-	(110,608)
At 31 August 2021	66,887	4,883	71,770
Net book value:			
the At 31 August 2021	48,169	9,708	57,877
At 31 August 2020	42,795	3,395	46,190

The company had no intangible assets at 31 August 2021 (2020: £nil).

14 Tangible assets

Group	Leasehold land & buildings £'000	Fixtures, fittings, furniture & equipment £'000	Total £'000
Cost or valuation:			
At 1 September 2020	350	6,673	7,023
Additions	-	1,011	1,011
Acquisitions	-	4	4
Disposals	(345)	(5,058)	(5,403)
At 31 August 2021	5	2,630	2,635
Accumulated depreciation:			
At 1 September 2020	243	5,871	6,114
Charge for the year	18	279	297
Disposals	(256)	(4,980)	(5,236)
At 31 August 2021	5	1,170	1,175
Net book value:			
At 31 August 2021	-	1,460	1,460
At 31 August 2020	107	802	909

The company had no tangible assets at 31 August 2021 (2020: £nil).

15 Investments

	Group companies £'000
Cost and net book value:	
At 31 August 2020 and 31 August 2021	37,767

Investments are the directly held subsidiary undertakings detailed in note 28.

16 Debtors

Debtors due within one year:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	2,601	1,412	-	-
Amounts owed by group undertakings	14,292	12,203	9	9
Other debtors	67	38	-	-
Corporation tax refund due	242	390	-	-
Deferred tax	776	640	-	-
Prepayments and accrued income	3,798	3,359	-	-
	<u>21,776</u>	<u>18,042</u>	<u>9</u>	<u>9</u>

Trade debtors are stated net of provisions for impairment of £1,410,000 (2020: £554,000).

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

The group's deferred tax asset consists of the tax effect of timing differences in respect of:

	2021		2020	
	Recognised	Unrecognised	Recognised	Unrecognised
	£'000	£'000	£'000	£'000
Excess of depreciation over taxation allowances	776	-	640	-
Unrelieved losses	-	4,500	-	1,517
	<u>776</u>	<u>4,500</u>	<u>640</u>	<u>1,517</u>

Deferred tax assets and liabilities are only offset where the group has a legally enforceable right to do so and where assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

The deferred tax asset expected to reverse in the 2022 financial year is £nil.

16 Debtors (continued)

Debtors due after one year:	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts owed by group undertakings – loans	-	-	42,303	78,806
Amounts owed by group undertakings – loan notes	-	-	87,475	38,111
	<u>-</u>	<u>-</u>	<u>129,778</u>	<u>116,917</u>

The intra group loans and loan notes are unsecured, bear interest at 11% compounded annually on 31 August, and are due for repayment on 31 August 2027.

17 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	2,779	798	-	-
Amounts owed to group undertakings	-	-	46	46
Overseas taxation	188	180	-	-
Other taxation and social security	1,755	5,606	-	-
Contingent consideration	2,156	865	-	-
Accruals	8,445	10,183	-	-
Deferred income	13,363	10,332	-	-
Other creditors	3,728	2,738	-	-
	<u>32,414</u>	<u>30,702</u>	<u>46</u>	<u>46</u>

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

Deferred income includes deposits refundable to students which are usually credited against the final term fees rather than repaid.

Contingent consideration is payable for the purchase on 31 August 2018 of the business assets of CEG Education Technology (Shanghai) Co Limited and the purchase on 23 August 2021 of Castel International (Education) Limited (note 27).

18 Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due between one and five years:				
Bank loan	14,634	14,596	-	-
Amounts owed to group undertakings - loans	-	78,806	-	78,806
Amounts owed to group undertakings - loan notes	-	38,111	-	38,111
Amounts falling due after more than five years:				
Amounts owed to group undertakings - loans	42,303	-	42,303	-
Amounts owed to group undertakings - loan notes	87,475	-	87,475	-
	<u>144,412</u>	<u>131,513</u>	<u>129,778</u>	<u>116,917</u>

The bank lending comprises a £15m term facility under a senior facilities agreement (SFA). This was drawn in July 2020 and is repayable in full in July 2025. The effective interest rate on the loan was 11.37% (2020: £11.53%).

Under the SFA there is also a revolving credit facility of £1m which is available for draw down until July 2022. At the year end the revolving facility was undrawn.

The loan under the SFA is secured by a fixed and floating charge over the property and assets of the material subsidiary companies of the group.

The intra group loans and loan notes bear interest at 11%, compounded annually on 31 August. The principal plus interest is repayable on 31 August 2027, the repayment date having been extended from 30 September 2021 during the year.

19 Post employment benefits

The group operates defined contribution pension arrangements for the benefit of its employees. The amount recognised as an expense for these arrangements is disclosed in note 8.

The company does not provide any post-employment benefits (2020: £nil).

20 Provisions for other liabilities

Group	Deferred tax £'000	Litigation £'000	Acquired contingent liabilities £'000	Total £'000
At 1 September 2020	-	274	-	274
Acquisitions	510	-	176	686
Amounts utilised	(22)	(55)	-	(77)
Unused amounts reversed to the income statement		(184)	-	(184)
Foreign exchange movement	6	-	-	6
At 31 August 2021	494	35	176	705

The group's deferred tax liability consists of the tax effect of timing differences in respect of:

	2021		2020	
	Recog- nised £'000	Unrecog- nised £'000	Recog- nised £'000	Unrecog- nised £'000
Acquired intangible assets	<u>494</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax assets and liabilities are only offset where the group has a legally enforceable right to do so and where assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

The deferred tax liability expected to reverse in the 2022 financial year is £53,000.

The company had no provisions for other liabilities (2020: £nil).

21 Financial instruments

The carrying values of the group's financial instruments are summarised by category below:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Financial assets that are debt instruments measured at amortised cost less impairment				
- Trade debtors	2,601	1,412	-	-
- Amounts owed by group undertakings	14,292	12,203	129,778	116,926
- Other debtors	67	38	-	-
	<u>16,960</u>	<u>13,653</u>	<u>129,778</u>	<u>116,926</u>
Financial liabilities measured at amortised cost				
- Bank loan	14,634	14,596	-	-
- Trade creditors	2,779	798	-	-
- Amounts owed to group undertakings	129,778	116,917	129,824	116,963
- Other creditors	3,728	2,738	-	-
- Accruals	8,445	10,183	-	-
- Contingent consideration	2,156	865	-	-
	<u>161,520</u>	<u>146,097</u>	<u>129,824</u>	<u>116,963</u>

22 Called-up share capital and reserves

	2021		2020	
	No.	£'000	No.	£'000
Allotted, called-up and fully paid:				
Ordinary shares of £1 each	37,766,830	37,767	37,766,830	37,767

The ordinary shares are not redeemable, have voting rights of one vote per share and are all equally entitled to dividends and any distribution of capital. All shares are classified as equity.

The accumulated losses reserve represents the cumulative profits and losses, net of dividends paid and other adjustments.

The other reserve represents the excess of the fair value over cost of freehold land and buildings held at fair value, together with the cumulative gains and losses arising on the re-translation of net assets of overseas operations from local currency to pounds sterling.

23 Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	2021	2020
	£'000	£'000
Operating loss	(6,058)	(3,551)
Depreciation	297	730
Amortisation and impairment	5,143	4,785
Loss on disposal of tangible fixed assets	218	-
Movements in working capital:		
- Increase in debtors	(3,745)	(454)
- Increase/(decrease) in creditors	57	(6,932)
Net cash outflow from operating activities	(4,088)	(5,422)

23 Notes to the statement of cash flows (continued)

Reconciliation of net cash flow to movement in net debt

	2021 £'000	2020 £'000
Decrease in cash in the year	(17,628)	(29,905)
Net (increase)/repayment of borrowings	(12,899)	10,195
Foreign exchange	(24)	(15)
Increase in net borrowings	(30,551)	(19,725)
Net borrowings at 1 September	(100,989)	(81,264)
Net borrowings at 31 August	(131,540)	(100,989)

Analysis of changes in net borrowings

	At 1 Sept 2020 £'000	Cash flows £'000	Non-cash movements £'000	At 31 Aug 2021 £'000
Net cash:				
Cash in hand and at bank	30,524	(17,628)	(24)	12,872
Bank loans	(14,596)	-	(38)	(14,634)
Intra group loans and loan notes	(116,917)	-	(12,861)	(129,778)
	(131,513)	-	(12,899)	(144,412)
Net borrowings	(100,989)	(17,628)	(12,923)	(131,540)

Cash at bank and in hand includes an amount of £865,000 (2020: £865,000) held in an escrow account controlled jointly by the group and third parties. This cash will be released when the final instalment of the deferred consideration for the purchase on 31 August 2018 of CEG Education Technology (Shanghai) Co. Limited is due for payment.

The non-cash movements relate to accrued interest on borrowings and foreign exchange.

24 Related party transactions

During the year the group entered into transactions with related parties.

Management fees and expenses of £125,000 (2020: £125,000) were payable to Bridgepoint Advisors Limited, which manages the ultimate controlling party of the group. At year end £nil was still outstanding (2020: £63,000). Any amounts due are on normal credit terms.

The remuneration of directors and key management is disclosed in note 9.

25 Contingent liabilities

The group and company have guaranteed the bank loan of its subsidiary undertaking Camelot Bidco Limited. At 31 August 2021 this amounted to £15,000,000 (2020: £15,000,000).

In addition, the group has a bank guarantee in relation to lease commitments for a property in Sweden amounting to £155,000 (2020: £154,000).

The company had no other contingent liabilities (2020: £nil).

26 Capital and other commitments

At 31 August 2021 the group had annual commitments under non-cancellable operating leases as set out below.

	2021	2020
	£'000	£'000
Payments due:		
Not later than one year	3,531	5,590
Later than one year and not later than five years	7,169	6,628
Later than five years	3,458	669
	<u>14,158</u>	<u>12,887</u>

The group had no other off-balance sheet arrangements. The company had no commitments under operating leases (2020: £nil).

Group capital commitments contracted for but not provided in the financial statements amounted to £nil (2020: £nil).

The company had no capital or other commitments (2020: £nil).

27 Business combinations

On 1 April 2021, the group acquired control of ihed Health Training Limited through the purchase of 74.4% of the ordinary share capital for total consideration of £9,563,000. ihed Health Training Limited is a company incorporated in Ireland that provides online accredited postgraduate medical education and training programmes.

The goodwill of £5,611,000 arising from the acquisition is attributable to acquired student base and economies of scale from combining the operations into the group. Management has estimated the useful life of the goodwill to be 10 years.

The consideration paid by the group was:

	£'000
Fair value of consideration:	
Cash	8,984
Directly attributable costs	579
	<u>9,563</u>

For cash flow disclosure purposes the amounts are disclosed as follows:

	£'000
Cash consideration	8,984
Directly attributable costs	579
Less:	9,563
Cash acquired	<u>(3,750)</u>
Net cash outflow	<u>5,813</u>

The identifiable assets acquired and liabilities assumed on the date of acquisition were:

	Note	Book value £'000	Adjustments £'000	Fair value £'000
Intangible fixed assets – course development costs	a	473	4,084	4,557
Tangible fixed assets		1	-	1
Debtors	b, c, d, e	1,105	(88)	1,017
Cash		3,750	-	3,750
Creditors due within one year	f, g, h	(3,273)	(56)	(3,329)
Provisions	i, j	-	(174)	(174)
Deferred tax provision	k	-	(510)	(510)
Total identifiable net assets		<u>2,056</u>	<u>3,356</u>	<u>5,312</u>
Non-controlling interest				(1,360)
Goodwill				<u>5,611</u>
Total				<u>9,563</u>

27 Business combinations (continued)

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

- a. The uplift in capitalised course development software costs to fair value.
- b. The write off of a credit note.
- c. A correction to a debtor invoice.
- d. The write off of a rent deposit.
- e. A provision for the impairment of trade debtors.
- f. The write back of rent owed following settlement with the landlord.
- g. The release of an accrual for employee bonuses as payment conditions have not been satisfied.
- h. An accrual for refinancing costs.
- i. A provision for additional VAT liability following voluntary disclosures.
- j. A provision for additional payroll taxes.
- k. Recognition of deferred tax arising as a result of the acquisition adjustments.

The revenue from iheed Health Training Limited included in the consolidated income statement for 2021 was £1,333,000 and the loss included in the income statement over the same period was £484,000.

On 23 August 2021, the group acquired control of Castel International (Education) Limited through the purchase of 100% of the ordinary share capital for total consideration of £4,268,000. Castel International (Education) Limited is a company incorporated in Ireland that provides undergraduate pathway courses in medical subjects, postgraduate medical training, and English language courses for medical professionals.

The goodwill of £3,160,000 arising from the acquisition is attributable to acquired student base and economies of scale from combining the operations into the group. Management has estimated the useful life of the goodwill to be 10 years.

The consideration paid by the group was:

	£'000
Fair value of consideration:	
Cash	2,725
Contingent consideration	1,291
Directly attributable costs	252
	<u>4,268</u>

For cash flow disclosure purposes the amounts are disclosed as follows:

	£'000
Cash consideration	2,725
Directly attributable costs paid	90
Less:	2,815
Cash acquired	(742)
Net cash outflow	<u>2,073</u>

27 Business combinations (continued)

The identifiable assets and liabilities assumed on the date of acquisition were:

	Book value and fair value £'000
Tangible fixed assets	3
Debtors	397
Cash	742
Creditors due within one year	(34)
Total identifiable net assets	<u>1,108</u>
Goodwill	<u>3,160</u>
Total	<u><u>4,268</u></u>

Contingent consideration is payable based on company's earnings and cash receipts during the period to 31 July 2022. The amount payable is capped at £1,291,000 and it is expected to be paid in full within 12 months.

The revenue and profit from Castel International (Education) Limited included in the consolidated income statement for 2021 was £nil.

28 List of subsidiary undertakings

Subsidiary undertakings	Registered office	Nature of business	Interest
<u>Direct shareholdings</u>			
Camelot Bidco Limited	i.	Intermediate holding company	100% ordinary shares
<u>Indirect shareholdings</u>			
Cambridge Education Group Consulting (Shanghai) Limited	ii.	Provision of administrative services for group companies	100% ordinary shares
Cambridge Education Group Hong Kong Limited	iii.	Provision of administrative services for group companies	100% ordinary shares
Cambridge Education Group Limited	i.	Intermediate holding company	100% ordinary shares
Cambridge Online Learning Limited	i.	Dormant	100% ordinary shares
Castel International (Education) Limited	iv.	On-site university foundation courses	100% ordinary shares
CEG Administrative Services Limited	i.	Provision of administrative services to group companies	100% ordinary shares
CEG Digital Limited	i.	Online & blended university courses	100% ordinary shares
CEG International Limited	i.	Dormant	100% ordinary shares
CEG OnCampus Holdings Limited	i.	Intermediate holding company	100% ordinary shares
CEG Online Limited	i.	Online & blended university courses	100% ordinary shares
CEG Pathways, Inc	v.	On-site university foundation courses	100% ordinary shares
CEG UFP Limited	i.	On-site university foundation courses	100% ordinary shares
CEG UNW Online Limited	i.	Online & blended university courses	100% ordinary shares
Falmouth Flexible Ltd	i.	Online & blended university courses	100% ordinary shares
Hull Online Limited	i.	Online & blended university courses	100% ordinary shares

28 List of subsidiary undertakings (continued)

Subsidiary undertakings	Registered office	Nature of business	Interest
ihed Health Training Limited	vi.	Online & blended university courses	74.4% ordinary shares
ONCAMPUS Amsterdam B.V. ^a	vii.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Aston Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Coventry Limited ^b	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Education Dublin Limited	viii.	Dormant	100% ordinary shares
ONCAMPUS Hull Ltd	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS London Limited ^c	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS LSBU Limited ^d	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Lund Sweden AB	ix.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Reading Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Southampton Limited	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS Sunderland Limited ^e	i.	On-site university foundation courses	100% ordinary shares
ONCAMPUS UK North Limited ^f	i.	On-site university foundation courses	100% ordinary shares
Portsmouth Online Limited	i.	Online & blended university courses	100% ordinary shares
Queen Mary Digital Limited	i.	Online & blended university courses	100% ordinary shares
Southampton Global Limited	i.	Online & blended university courses	100% ordinary shares

28 List of subsidiary undertakings (continued)

- i 51-53 Hills Road, Cambridge, CB2 1NT
 - ii Room 408, Building 2, No. 215 Yaohua Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, People's Republic of China
 - iii Suites 3005-6, 30/F Tower 2, The Gateway, Harbour City, Kowloon, Hong Kong
 - iv Leebrook House, Leebrook, Tralee, Kerry, Ireland
 - v 251 Little Falls Drive, Wilmington, DE 19808, United States of America
 - vi Hamilton House, 28 Fitzwilliam Place, Dublin, Ireland
 - vii Jachthavenweg 109H, 1081 KM Amsterdam, Netherlands
 - viii Main Street, Dunboyne, Meath, Ireland
 - ix Östra Vallgatan 14, 223 61 Lund, Sweden
-
- a On 24 September 2020 the subsidiary changed its name from Amsterdam FoundationCampus B.V.
 - b On 4 September 2020 the subsidiary changed its name from Coventry FoundationCampus Limited
 - c On 4 September 2020 the subsidiary changed its name from FoundationCampus London Limited
 - d On 4 September 2020 the subsidiary changed its name from London South Bank FoundationCampus Limited
 - e On 4 September 2020 the subsidiary changed its name from CEG FoundationCampus Sunderland Limited

29 Subsidiaries exempt from audit

The following subsidiary undertakings have claimed exemption from the requirements of the UK Companies Act 2006 section 479A relating to the audit of individual financial statements for the year ended 31 August 2021. The parent company indicated has given a statement of guarantee under the Companies Act 2006 section 479A to guarantee all outstanding liabilities to which the respective subsidiary is subject at 31 August 2021.

Subsidiary	Company number	Parent company providing guarantee
Cambridge Education Group Limited	6020370	Camelot Holdco Limited
Camelot Bidco Limited	8617241	Camelot Holdco Limited
CEG Administrative Services Limited	6355644	Camelot Holdco Limited
CEG OnCampus Holdings Limited	11880923	Camelot Holdco Limited
CEG Online Limited	10058669	CEG Digital Limited
CEG UNW Online Limited	13167755	CEG Digital Limited
Falmouth Flexible Ltd	10062305	CEG Digital Limited
Hull Online Limited	9924999	CEG Digital Limited
ONCAMPUS Aston Limited	13001120	CEG UFP Limited
ONCAMPUS Coventry Limited	6355639	CEG UFP Limited
ONCAMPUS Hull Ltd	6861361	CEG UFP Limited
ONCAMPUS London Limited	6861252	CEG UFP Limited
ONCAMPUS LSBU Limited	6355637	CEG UFP Limited
ONCAMPUS Reading Limited	10150552	CEG UFP Limited
ONCAMPUS Southampton Limited	13167749	CEG UFP Limited
ONCAMPUS Sunderland Limited	6861284	CEG UFP Limited
ONCAMPUS UK North Limited	6355640	CEG UFP Limited
Portsmouth Online Limited	9952086	CEG Digital Limited
Queen Mary Digital Limited	10212307	CEG Digital Limited
Southampton Global Limited	10112318	CEG Digital Limited

30 Ultimate controlling party

The immediate parent company is Camelot Interco Limited.

Camelot Topco Limited is the ultimate parent company and the parent undertaking of the smallest and largest group which prepares publicly available consolidated financial statements that incorporate the results of the company and its subsidiaries. Copies of the consolidated financial statements may be obtained from the address given on page 1.

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