

Company registration number 12723686 (England and Wales)

GLOBAL ACADEMIC HOLDINGS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

TUESDAY



A20 *AC8HSN6X* 25/07/2023 #102
COMPANIES HOUSE

GLOBAL ACADEMIC HOLDINGS LTD
CONTENTS

	Page
Company information	2
Directors' report	3
Statement of directors' responsibilities	3
Independent auditors' report	5
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

GLOBAL ACADEMIC HOLDINGS LTD

COMPANY INFORMATION

Directors

Valery Kisilevsky
Gary Howard Narunsky

Auditors

Gravita Audit Limited
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Registered Office

30 Holborn
Buchanan House
London
EC1N 2HS

GLOBAL ACADEMIC HOLDINGS LTD

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the Company continued to be that of a holding company. A list of subsidiaries is included in note 11. The directors do not anticipate any change in the activity of the Company in the foreseeable future.

Results

The results for the year are set out on page 9.

Directors

The following were directors of the Company during the year and up to the date of signature of these accounts:

Valery Kisilevsky
Gary Howard Narunsky
Arkady Etingen

Appointed 2 September 2021
Resigned 4 March 2022

Statement of directors' responsibilities

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

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

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

Statement of disclosure to auditor

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

GLOBAL ACADEMIC HOLDINGS LTD

DIRECTORS' REPORT (continued)

Small companies exemption

In preparing the Directors' Report, advantage has been taken of the small companies exemption under the Companies Act 2006. As a result of this exemption, the Company is not required to prepare a strategic report.

On behalf of the board

A handwritten signature in black ink, appearing to be 'V. Kisilevsky', written in a cursive style.

Mr Valery Kisilevsky
Director

Date: 21 July 2023

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD

Opinion

We have audited the financial statements of Global Academic Holdings Ltd ('the company') for the year ended 31 May 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

We have nothing to report in this regard.

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our knowledge and experience of the entity's activities;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including Companies Act 2006 and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

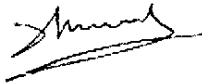
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD
(continued)

Use of our report

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



Sachin Ramaiya (Senior Statutory Auditor)
For and on behalf of Gravita Audit Limited

Chartered Accountant
Statutory Auditor

Finsgate
5 - 7 Cranwood Street
London
EC1V 9EE

Date: 21 July 2023

GLOBAL ACADEMIC HOLDINGS LTD**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2022**

	Note	Year ended 31 May 2022 £	Period ended 31 May 2021 £
Administrative expenses	3	(350,278,493)	-
Operating loss		(350,278,493)	-
Taxation		-	-
Loss for the year		(350,278,493)	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GLOBAL ACADEMIC HOLDINGS LTD
BALANCE SHEET AS AT 31 MAY 2022

	Note	As at 31 May 2022 £	As at 31 May 2021 £
Non-current assets			
Investments in subsidiaries	4	346,000,201	1
Current assets			
Other receivables	5	1	1
Current liabilities			
Trade and other payables	6	(696,278,694)	(1)
Net current liabilities		(696,278,693)	-
Net (liabilities)/assets		(350,278,492)	1
Equity			
Called up share capital	7	1	1
Retained earnings		(350,278,493)	-
Total equity		(350,278,492)	1

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 21 July 2023 and are signed on its behalf by:



Mr Valery Kisilevsky
Director
 Company number: 12723686

GLOBAL ACADEMIC HOLDINGS LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO 31 MAY 2022

	Share capital £	Retained earnings £	Total £
Balance as at 6 July 2020	-	-	-
Issue of share capital	1	-	1
Balance as at 31 May 2021	1	-	1
Loss for the year	-	(350,278,493)	(350,278,493)
Balance as at 31 May 2022	1	(350,278,493)	(350,278,492)

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

1. Accounting policies

Company information

Global Academic Holdings Ltd ('the company') is a private company limited by shares incorporated and domiciled in England and Wales. The address of its registered office is 30 Holborn, Buchanan House, London, EC1N 2HS.

1.1 Reporting period

These financial statements cover the period 1 June 2021 to 31 May 2022. The comparative results cover the period from incorporation on 6 July 2020 to 31 May 2021 and so are not directly comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of Section 401 of the Companies Act 2006 not to prepare consolidated accounts on the basis that the company's results are included in the consolidated accounts for a larger group, which is disclosed in Note 10. These accounts therefore present information about the company and not its group.

1.3 Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reason. The company is reliant on the support of other group companies as a result of the way that the group is financed. Global University Systems Holding B.V. has agreed to continue to provide financial and other support to the company for the foreseeable future to enable it to continue to trade.

As a result, having assessed the response of the directors of Global University Systems Holding B.V., in light of its support and on the basis of their assessment of the company's financial position and Global University Systems Holding B.V.'s financial position, the Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements:

- The Directors have applied the exemption available to qualifying entities in FRS 102 paragraph 1.12(b) from presenting a statement of cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

2 Judgements and key sources of uncertainty

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

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

The key judgment made by the directors was in respect of potential impairment of the company's investment in subsidiaries. The directors performed an impairment assessment based on discounted future cash flows of the respective subsidiaries and determined an impairment was required in respect of its investment in GAH Holdco Ltd, as shown in Note 3.

3 Administrative expenses

	Year ended 31 May 2022 £	Period ended 31 May 2021 £
Legal and professional fees	377,969	-
Audit fees	8,000	-
Other operating expenses	59,858	-
Divisional recharge	3,832,566	-
Impairment of investment in subsidiaries	346,000,100	-
Total administrative expenses	350,278,493	-

During the year, the Directors assessed the carrying value of the Company's investment in GAH Holdco Ltd. The investment value of £346m arose on the issue of share capital by GAH Holdco Ltd in the period in relation to a Group reorganisation, and as this remained payable by Global Academic Holdings Ltd as at 31 May 2022, it was determined that it was appropriate to impair the investment at this time. Subsequent to the year end, the Group reorganisation was completed and the payable due to GAH Holdco Ltd in relation to the share issue was settled.

4 Investments in subsidiaries

	As at 31 May 2022 £	As at 31 May 2021 £
Investments in subsidiaries	346,000,201	1

GLOBAL ACADEMIC HOLDINGS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

	Total £
Cost	
As at 6 July 2020	-
Additions	1
As at 31 May 2021	1
Additions	692,000,300
As at 31 May 2022	692,000,301
Impairment	
As at 6 July 2020	-
Charge	-
As at 31 May 2021	-
Charge	346,000,100
As at 31 May 2022	346,000,100
Carrying amount	
At 31 May 2021	1
At 31 May 2022	346,000,201

During the year, GAH Holdco Ltd issued 346,000,000 new shares and GAH Midco issued 346,000,100 new shares to Global Academic Holdings Ltd as part of a group reorganisation. At the year-end, the consideration was unsettled and therefore £692,000,100 is shown as payable to subsidiaries. As shown in note 12, the consideration was settled subsequent to the year-end in March 2023. A list of investments in subsidiaries is given in note 11.

5 Other receivables

	As at 31 May 2022 £	As at 31 May 2021 (restated) £
Unpaid share capital	1	1

6 Trade and other payables

	As at 31 May 2022 £	As at 31 May 2021 £
Trade payables	392	-
Amounts owed to subsidiaries	692,000,301	1
Amounts owed to group undertakings	417,345	-
Accruals	3,860,656	-
Total	696,278,694	1

GLOBAL ACADEMIC HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)****7 Called up share capital**

	No.	Nominal value £	Aggregate value £
Authorised, issued and not fully paid			
At 31 May 2021	1	1	1
At 31 May 2022	10,000	0.0001	1

On 5 October 2021, the company's share capital of 1 ordinary share of £1 nominal value was sub-divided into 10,000 ordinary shares of £0.0001 each.

8 Related party transactions

The company has taken advantage of the exemption allowed in FRS 102 and has not disclosed details of related party transactions with 100% owned entities within the group.

9 Directors and employees

The directors received no remuneration in the year in respect of their qualifying services to the Company (2021: £nil).

There were no employees of the Company during the year (2021: nil).

10 Ultimate controlling party

The immediate parent undertaking is Global University Systems B.V, a company incorporated in The Netherlands.

The ultimate controlling party is The Heritage Trust, registered in Guernsey.

The smallest group into which the Company is consolidated is Global University Systems Holding B.V., a company registered in The Netherlands and whose registered office is Passeerdersgracht 23, 1016XG Amsterdam, The Netherlands. Its consolidated accounts are available for inspection by appointment at this address.

11 Subsidiaries

At 31 May 2022, the Company directly owned the issued share capital of the following companies:

Name of undertaking	Registered office	Class of shares held	% Held
GAH Holdco Ltd	England and Wales	Ordinary	100%
GAH Education Holding Limited	England and Wales	Ordinary	100%
GAH Midco Ltd	England and Wales	Ordinary	100%

The address of the registered office of these subsidiaries is the same as the Company.

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

12 Post balance sheet events

In March 2023, as part of a group reorganisation, the Company sold the entire share capital of GAH Education Holding Limited to GAH Holdco Ltd for a consideration of £346m, settled by way of offset against the consideration payable to GAH Holdco Ltd on the issue of new share capital issued. The Company simultaneously lost control of GAH Holdco Ltd which became a subsidiary of GAH Midco Ltd.

Company registration number 12723686 (England and Wales)

GLOBAL ACADEMIC HOLDINGS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

THESE ACCOUNTS
FORM PART OF THE
GROUP ACCOUNTS
OF THE COMPANY
No. 12723686

	Page
<i>Company information</i>	2
Directors' report	3
Statement of directors' responsibilities	3
Independent auditors' report	5
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

GLOBAL ACADEMIC HOLDINGS LTD

COMPANY INFORMATION

Directors

Valery Kisilevsky
Gary Howard Narunsky

Auditors

Gravita Audit Limited
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Registered Office

30 Holborn
Buchanan House
London
EC1N 2HS

GLOBAL ACADEMIC HOLDINGS LTD

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 May 2022.

Principal activities

The principal activity of the Company continued to be that of a holding company. A list of subsidiaries is included in note 11. The directors do not anticipate any change in the activity of the Company in the foreseeable future.

Results

The results for the year are set out on page 9.

Directors

The following were directors of the Company during the year and up to the date of signature of these accounts:

Valery Kisilevsky
Gary Howard Narunsky
Arkady Etingen

Appointed 2 September 2021
Resigned 4 March 2022

Statement of directors' responsibilities

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

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

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

Statement of disclosure to auditor

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

GLOBAL ACADEMIC HOLDINGS LTD**DIRECTORS' REPORT (continued)**

Small companies exemption

In preparing the Directors' Report, advantage has been taken of the small companies exemption under the Companies Act 2006. As a result of this exemption, the Company is not required to prepare a strategic report.

On behalf of the board



Mr Valery Kisilevsky
Director

Date: 21 July 2023

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD

Opinion

We have audited the financial statements of Global Academic Holdings Ltd ('the company') for the year ended 31 May 2022 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

We have nothing to report in this regard.

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with the directors and other management, and from our knowledge and experience of the entity's activities;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including Companies Act 2006 and taxation legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify noncompliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

GLOBAL ACADEMIC HOLDINGS LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOBAL ACADEMIC HOLDINGS LTD
(continued)**

Use of our report

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



**Sachin Ramaiya (Senior Statutory Auditor)
For and on behalf of Gravita Audit Limited**

**Chartered Accountant
Statutory Auditor**

Finsgate
5 - 7 Cranwood Street
London
EC1V 9EE

Date: 21 July 2023

GLOBAL ACADEMIC HOLDINGS LTD**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2022**

	Note	Year ended 31 May 2022 £	Period ended 31 May 2021 £
Administrative expenses	3	(350,278,493)	-
Operating loss		(350,278,493)	-
Taxation		-	-
Loss for the year		(350,278,493)	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GLOBAL ACADEMIC HOLDINGS LTD
BALANCE SHEET AS AT 31 MAY 2022

	Note	As at 31 May 2022 £	As at 31 May 2021 £
Non-current assets			
Investments in subsidiaries	4	346,000,201	1
Current assets			
Other receivables	5	1	1
Current liabilities			
Trade and other payables	6	(696,278,694)	(1)
Net current liabilities		(696,278,693)	-
Net (liabilities)/assets		(350,278,492)	1
Equity			
Called up share capital	7	1	1
Retained earnings		(350,278,493)	-
Total equity		(350,278,492)	1

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 21 July 2023 and are signed on its behalf by:



Mr Valery Kisilevsky
Director
Company number: 12723686

GLOBAL ACADEMIC HOLDINGS LTD**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO 31 MAY 2022**

	Share capital	Retained earnings	Total
	£	£	£
Balance as at 6 July 2020	-	-	-
Issue of share capital	1	-	1
Balance as at 31 May 2021	1	-	1
Loss for the year	-	(350,278,493)	(350,278,493)
Balance as at 31 May 2022	1	(350,278,493)	(350,278,492)

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

1. Accounting policies

Company information

Global Academic Holdings Ltd ('the company') is a private company limited by shares incorporated and domiciled in England and Wales. The address of its registered office is 30 Holborn, Buchanan House, London, EC1N 2HS.

1.1 Reporting period

These financial statements cover the period 1 June 2021 to 31 May 2022. The comparative results cover the period from incorporation on 6 July 2020 to 31 May 2021 and so are not directly comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of Section 401 of the Companies Act 2006 not to prepare consolidated accounts on the basis that the company's results are included in the consolidated accounts for a larger group, which is disclosed in Note 10. These accounts therefore present information about the company and not its group.

1.3 Going concern

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate for the following reason. The company is reliant on the support of other group companies as a result of the way that the group is financed. Global University Systems Holding B.V. has agreed to continue to provide financial and other support to the company for the foreseeable future to enable it to continue to trade.

As a result, having assessed the response of the directors of Global University Systems Holding B.V., in light of its support and on the basis of their assessment of the company's financial position and Global University Systems Holding B.V.'s financial position, the Directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of the following exemptions in its individual financial statements:

- The Directors have applied the exemption available to qualifying entities in FRS 102 paragraph 1.12(b) from presenting a statement of cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

2 Judgements and key sources of uncertainty

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

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

The key judgment made by the directors was in respect of potential impairment of the company's investment in subsidiaries. The directors performed an impairment assessment based on discounted future cash flows of the respective subsidiaries and determined an impairment was required in respect of its investment in GAH Holdco Ltd, as shown in Note 3.

3 Administrative expenses

	Year ended 31 May 2022 £	Period ended 31 May 2021 £
Legal and professional fees	377,969	-
Audit fees	8,000	-
Other operating expenses	59,858	-
Divisional recharge	3,832,566	-
Impairment of investment in subsidiaries	346,000,100	-
Total administrative expenses	350,278,493	-

During the year, the Directors assessed the carrying value of the Company's investment in GAH Holdco Ltd. The investment value of £346m arose on the issue of share capital by GAH Holdco Ltd in the period in relation to a Group reorganisation, and as this remained payable by Global Academic Holdings Ltd as at 31 May 2022, it was determined that it was appropriate to impair the investment at this time. Subsequent to the year end, the Group reorganisation was completed and the payable due to GAH Holdco Ltd in relation to the share issue was settled.

4 Investments in subsidiaries

	As at 31 May 2022 £	As at 31 May 2021 £
Investments in subsidiaries	346,000,201	1

GLOBAL ACADEMIC HOLDINGS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

	Total £
Cost	
As at 6 July 2020	-
Additions	1
As at 31 May 2021	1
Additions	692,000,300
As at 31 May 2022	<u>692,000,301</u>
Impairment	
As at 6 July 2020	-
Charge	-
As at 31 May 2021	-
Charge	346,000,100
As at 31 May 2022	<u>346,000,100</u>
Carrying amount	
At 31 May 2021	1
At 31 May 2022	<u>346,000,201</u>

During the year, GAH Holdco Ltd issued 346,000,000 new shares and GAH Midco issued 346,000,100 new shares to Global Academic Holdings Ltd as part of a group reorganisation. At the year-end, the consideration was unsettled and therefore £692,000,100 is shown as payable to subsidiaries. As shown in note 12, the consideration was settled subsequent to the year-end in March 2023. A list of investments in subsidiaries is given in note 11.

5 Other receivables

	As at 31 May 2022 £	As at 31 May 2021 (restated) £
Unpaid share capital	<u>1</u>	<u>1</u>

6 Trade and other payables

	As at 31 May 2022 £	As at 31 May 2021 £
Trade payables	392	-
Amounts owed to subsidiaries	692,000,301	1
Amounts owed to group undertakings	417,345	-
Accruals	3,860,656	-
Total	<u>696,278,694</u>	<u>1</u>

GLOBAL ACADEMIC HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)****7 Called up share capital**

	No.	Nominal value £	Aggregate value £
Authorised, issued and not fully paid			
At 31 May 2021	1	1	1
At 31 May 2022	10,000	0.0001	1

On 5 October 2021, the company's share capital of 1 ordinary share of £1 nominal value was sub-divided into 10,000 ordinary shares of £0.0001 each.

8 Related party transactions

The company has taken advantage of the exemption allowed in FRS 102 and has not disclosed details of related party transactions with 100% owned entities within the group.

9 Directors and employees

The directors received no remuneration in the year in respect of their qualifying services to the Company (2021: £nil).

There were no employees of the Company during the year (2021: nil).

10 Ultimate controlling party

The immediate parent undertaking is Global University Systems B.V, a company incorporated in The Netherlands.

The ultimate controlling party is The Heritage Trust, registered in Guernsey.

The smallest group into which the Company is consolidated is Global University Systems Holding B.V., a company registered in The Netherlands and whose registered office is Passeerdersgracht 23, 1016XG Amsterdam, The Netherlands. Its consolidated accounts are available for inspection by appointment at this address.

11 Subsidiaries

At 31 May 2022, the Company directly owned the issued share capital of the following companies:

Name of undertaking	Registered office	Class of shares held	% Held
GAH Holdco Ltd	England and Wales	Ordinary	100%
GAH Education Holding Limited	England and Wales	Ordinary	100%
GAH Midco Ltd	England and Wales	Ordinary	100%

The address of the registered office of these subsidiaries is the same as the Company.

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022 (continued)

12 Post balance sheet events

In March 2023, as part of a group reorganisation, the Company sold the entire share capital of GAH Education Holding Limited to GAH Holdco Ltd for a consideration of £346m, settled by way of offset against the consideration payable to GAH Holdco Ltd on the issue of new share capital issued. The Company simultaneously lost control of GAH Holdco Ltd which became a subsidiary of GAH Midco Ltd.

Global University Systems Holding B.V.

Consolidated Financial Statements

for the year ended 31 May 2022

Amsterdam 2022

—this document is signed digitally—

Contents

	Page
Statement of Management responsibilities	3
Group Management Report	4
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 May 2022	
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to financial statements	9

Statement of management responsibilities for preparation and approval of consolidated financial statements for the year ended 31 May 2022

The management of Global University Systems Holding B.V. and its subsidiaries (the Group) is responsible for the preparation of the consolidated financial statements which reflect in all material aspects the financial position of the Group as at 31 May 2022, as well as the results of its activities, cash flows and changes in equity for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

In preparing the consolidated financial statements, the Group's Management is responsible for:

- selecting appropriate accounting policies and their consistent application;
- undertaking reasonable measurement and calculation;
- following the principles of IFRS or disclosing all considerable deviations from IFRS in the notes to the consolidated financial statements;
- preparing the consolidated financial statements of the Group on a going concern basis, except in cases when such assumption is illegal;
- accounting for and disclosing in the consolidated financial statements all the relations and transactions between related parties;
- accounting for and disclosing in the consolidated financial statements all subsequent events that need to be adjusted or disclosed;
- disclosing all claims related to previous or potential legal proceedings;
- disclosing in the consolidated financial statements all the loans or guarantees on behalf of the management.

Management confirms that it has complied with the above mentioned principles in preparing the financial statements of the Group.

The Management is also responsible for:

- the development and implementation of, and control over an effective and reliable internal control system in the Group;
- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group;
- taking reasonable steps to safeguard the assets of the Group; and
- detecting and preventing from fraud and other irregularities.

These consolidated financial statements as at 31 May 2022 prepared in compliance with IFRS as adopted by the European Union are approved on behalf of the Group's Management on 16 December 2022.

On behalf of management:

Aaron Etingen
Founder and Executive Chairman

Amsterdam

Group Management Report:

Financial Results

The trading results for the periods to 31 May 2022 and the Group's financial position at the end of the year are shown in the attached audited financial statements.

The profit and loss account for the year 2022 shows a profit (after tax) of GBP 53 978 thousand (including the impact of exceptional costs referred to in note 11 to the financial statements of 3 553 thousand) (18 months period ended 31 May 2021: GBP 60 838 thousand).

Principal Activities of the Group

The Group is an international group of educational organisations, including holdings in postsecondary teaching institutions, an online division, a services and technology division, an international student recruitment network, a language training division and a number of executive education and corporate training solutions.

Business Review and Future Developments

Management considers the performance of the Group and future prospects to be satisfactory. For reasons of commercial confidentiality, the directors resolved that further detail can be provided on request and at the Group's discretion.

Financial Review

Revenue has decreased by GBP 147 229 (20%) for the 12 months period ended 31 May 2022 as compared to the 18 months period ended 31 May 2021, and the profit on ordinary activities (before tax) has increased by GBP 107 717 thousand compared with the prior year. Excluding the impact of exceptional costs referred to in note 11 to the financial statements, the profit on ordinary activities (before tax) has increased by GBP 30 815 thousand. Net assets have increased by GBP 59 490 thousand.

Principal Risks and Uncertainties

The Group continued enhancing its management team, risk management strategies and internal control processes throughout the year. The directors and management consider the key risks and uncertainties affecting the company's business to be: the general economic environment (and, in particular, the effect of the ongoing armed conflict in the Ukraine, increased in energy prices and overall price inflation); competition; reputational risks; regulatory risks; liquidity and cash flow, and credit risks.

While the Group's management has developed specific plans to deal with each of those risk areas and the directors consider such plans to be adequate, not all risk factors are within management's control. Other risks and uncertainties not listed above could also affect the Group.

Key Performance Indicators ("KPIs")

The Group's management has identified a number of Key Performance Indicators for the Group and each trading entity. For reasons of commercial confidentiality, the directors resolved that further detail can be provided on request and at the Group's discretion.

Employees and Employment Practices

The Group employs a matrix organisational structure, with management organised across both functional group-level and institution-level lines. The Group views talent and people as their greatest assets and accordingly employment practices are designed to attract, motivate, reward, develop and retain high performers in the context of the company's educational activities. The Group also encourages responsible employment practices in its supply chain.

Research & Development

The Group invests in research both at institution level, whereby a number of group institutions have articulated research strategies, and at a group level where R&D projects cover various aspects of our business, with a particular focus on innovative learning technologies.

Sustainability, Environmental and Societal Impact

The group has a number of policies in place to minimise the impact of our operations on the environment, including initiatives to minimise energy use and waste and to encourage recycling. A number of Group institutions are working towards offsetting the carbon emissions associated with their operations and the Group as a whole is progressing a "net zero" strategy and associated targets. In addition, the Group has developed a code of business ethics which applies to its dealings with suppliers, students, customers and other stakeholders.

Outlook

Management view is the outlook of the Group for the upcoming year is satisfactory. For reasons of commercial confidentiality, further details are available on request and at the Group's discretion.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 May 2022**

(in thousand GBP, unless otherwise stated)

	Note	Year ended 31 May 2022	18 months ended 31 May 2021
Revenue	7	583,046	730,275
Other income		23,362	30,671
Total income		606,408	760,946
Expenditure:			
Staff costs	8	(238,848)	(298,068)
Marketing costs	9	(53,137)	(52,381)
Depreciation and amortisation	14, 15	(51,838)	(77,182)
Other operating costs	10	(176,331)	(234,077)
Exceptional costs: derecognition of assets	11	(3,553)	(80,455)
Total expenditure		(523,707)	(742,163)
Income (loss) due to changes in value of financial asset at fair value through profit or loss		(80)	2
Gain from sale of subsidiary		-	4,055
Finance income	12	14,250	26,259
Finance costs	13	(53,123)	(96,622)
Forex on borrowings		8,001	(8,445)
PROFIT BEFORE TAX		51,749	(55,968)
Income tax (expenses)/income	26	2,229	(4,870)
PROFIT FOR THE YEAR		53,978	(60,838)
Non-controlling interest		77	(4)
Profit for the year attributable to parent shareholder		53,901	(60,834)
OTHER COMPREHENSIVE INCOME:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Effect of foreign currency translation		4,405	(9,872)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		4,405	(9,872)
TOTAL OTHER COMPREHENSIVE INCOME		4,405	(9,872)
TOTAL COMPREHENSIVE INCOME		58,383	(70,710)
Non-controlling interest		77	(4)
Total comprehensive income attributable to parent shareholder		58,306	(70,706)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 May 2022**

(in thousand GBP, unless otherwise stated)

ASSETS	Note	31 May 2022	31 May 2021
Non-current assets			
Property, plant and equipment	14	370,792	378,940
Intangible assets	15	65,647	70,634
Goodwill	16	181,303	181,304
Accrued income	20	45,491	28,407
Deposits and guarantees	18	7,200	7,116
Long term taxes receivable	31	8,000	8,000
Loans issued	17	200,027	191,877
Deferred tax assets	26	80,042	69,812
		958,502	936,090
Current assets			
Inventories		34	52
Trade and other receivables	19	355,607	261,364
Prepaid expenses and accrued income	20	104,455	67,929
Other financial assets	17	83,831	60,596
Other taxes receivable		15,858	18,723
Cash retained in escrow account	22	1,003	897
Cash and cash equivalents	21	478,312	433,477
		1,039,100	845,038
TOTAL ASSETS		1,997,602	1,781,128
EQUITY AND LIABILITIES			
Equity			
Share capital	23	32	33
Share premium		54	54
Other capital		6,131	6,131
Retained earnings		164,958	109,945
Effect of foreign currency translation		(10,453)	(14,858)
Equity attributable to the parent shareholder		160,722	101,305
Non-controlling interest		(1,918)	(1,991)
TOTAL EQUITY		158,804	99,314
Non-current liabilities			
Loans and borrowings	24	956,272	963,686
Finance lease liabilities	30	271,960	272,345
Deferred tax liabilities	26	44,273	49,357
		1,272,505	1,285,388
Current liabilities			
Trade and other payables	25	146,008	123,812
Provisions		102	102
Loans and borrowings	24	63,612	30,153
Finance lease liabilities	30	21,608	19,794
Deferred income		281,748	163,496
Income tax payable	26	33,149	39,512
Other taxes payable		20,066	17,557
		566,293	396,426
TOTAL LIABILITIES		1,838,798	1,681,814
TOTAL EQUITY AND LIABILITIES		1,997,602	1,781,128

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 May 2022**

(in thousand GBP, unless otherwise stated)

	Equity attributable to the parent shareholder					Non-controlling interest	Total equity	
	Share capital	Share Premium	Other capital	Retained earnings	Effect of foreign currency translation			
30 November 2019	32	54	6,131	170,503	(4,986)	171,734	(1,991)	169,743
Profit for the year	-	-	-	(60,834)	-	(60,834)	(4)	(60,838)
Other comprehensive income	-	-	-	-	(9,872)	(9,872)	-	(9,872)
Total comprehensive income	-	-	-	(60,834)	(9,872)	(70,706)	(4)	(70,710)
Adjustments on adoption of IFRS 16 (Note 6)	-	-	-	280	-	280	-	280
31 May 2021	32	54	6,131	109,949	(14,858)	101,308	(1,995)	99,313
Profit for the year	-	-	-	53,901	-	53,901	77	53,978
Other comprehensive income	-	-	-	-	4,405	4,405	-	4,405
Total comprehensive income	-	-	-	53,901	4,405	58,306	77	58,383
Other capital movement	-	-	-	1,115	-	1,115	-	1,115
31 May 2022	32	54	6,131	164,965	(10,453)	160,729	(1,918)	158,811

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 May 2022

(in thousand GBP, unless otherwise stated)

		Year ended 31 May 2022	18 months ended 31 May 2021
OPERATING ACTIVITIES			
Profit before tax		51,749	(55,968)
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expenses	14, 15	51,838	77,182
Gain from sale of subsidiary		-	(4,055)
Finance income	12	(14,250)	(26,260)
Finance costs	13	53,123	96,622
Collection, recovery and bad debt expense	10	3,904	8,480
(Gain)/ loss on derecognition of intangible assets	15	81	15,018
(Gain)/loss on disposal of property, plant and equipment		106	-
Gain (loss) on currency exchange rate fluctuations		(7,016)	34,552
		139,535	145,571
Working capital adjustments:			
Change in trade and other receivables		(88,030)	(127,403)
Change in prepaid expenses		(5,289)	(13,962)
Change in inventories		-	-
Change in deposits and guarantees		(84)	(558)
Change in other assets		(18,887)	(33,506)
Change in trade and other accounts payable		24,245	26,724
Change in accrued income		(34,565)	25,451
Change in deferred income		116,252	18,856
		133,177	41,173
Interest paid (net)		(48,923)	(65,641)
Income tax paid		(19,448)	(2,880)
Net cash flows from operating activities		64,806	(27,348)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,790)	(22,893)
Purchase of intangible assets		(3,053)	(2,462)
Loans issued to shareholders		-	(50,057)
Loans issued to other parties		(729)	(11,367)
Loans issued repayment and change in deposits		2,424	(30,906)
Purchase of subsidiaries		-	(34,007)
Proceeds from assignment of prepayments for intangible assets		-	-
Proceeds from sale of subsidiary		-	4,055
Proceeds from other financial assets disposals		-	-
Net cash flows from investing activities		(14,148)	(147,637)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		35,876	178,476
Loans transaction costs		-	(3,628)
Cash retained at escrow account to fund permitted acquisition		-	-
Repayment of loans and borrowings		(3,613)	(25,526)
Payment of finance lease liabilities		(20,676)	(25,159)
Net cash flows from financing activities		11,587	124,164
NET CASH FLOWS		62,245	(50,821)
Cash and cash equivalents at the beginning of the year		436,376	493,565
Foreign exchange difference		(14,901)	3,505
Effect of translation to presentation currency		(4,405)	(9,872)
Cash and cash equivalents at the end of the year		479,315	436,376

Aaron Etingen

Founder and Executive Chairman

Notes on pages 9 to 35 are an integral part of these financial statements

—this document is signed digitally—

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

1 General information

Global University Systems Holding B.V. was incorporated on the 23rd May 2012 and is registered at Keizersgracht 307, 1016ED Amsterdam, The Netherlands.

Global University Systems is an international group of educational establishments, including holdings in postsecondary teaching institutions, an online division, a services division, an international student recruitment network, a language training division and a number of executive education and corporate training solutions.

Key institutions in the Group include (at the time of the preparation of this report) Arden University, University Canada West, University of Europe for Applied Sciences, the University of Law, Saba University School of Medicine, Medical University of the Americas, St Matthew's University School of Medicine, Edology, HTK Academy, London School of Business & Finance, GISMA Business School, St Patrick's International College, London College of Contemporary Arts, The Language Gallery language schools, London College of Creative Media, Toronto School of Management, Canadian College of Technology and Business, Trebas Institute, InterCollege Amsterdam, London Academy of Trading, Berlin School of Business & Innovation, High Q, IBAT College Dublin and INT – the Institute of Innovation and Technology, as well as the institutions which form part of the India Group.

The University of Law is the leading provider of professional legal training provider in Europe. Granted Taught Degree Awarding Powers (TDAP) in 2007 and University title in 2012, the University offers a range of undergraduate, postgraduate and professional courses. The University trains future solicitors and barristers with unrivalled employability and student satisfaction scores. It operates from 17 locations in the UK, Germany, Hong Kong, and online. It also operates a business school and provides professional development courses.

Arden University is a UK based specialist provider of online and blended courses of study across multiple disciplines. Granted Taught Degree Awarding Powers (TDAP) in 2014 and University title in 2015, the University offers a range of undergraduate, postgraduate and professional courses, including accredited psychology, engineering, computing & IT, HR management and other courses.

The London School of Business and Finance (LSBF) is a business school based in London, United Kingdom, with campuses in the UK and Singapore. LSBF offers programmes in management, finance, hospitality and marketing; executive and corporate training; and professional accountancy qualification training. In the UK, LSBF is a company limited by guarantee, incorporated with no share capital.

University Canada West is Canada's first private, for-profit university, established in British Columbia in 2005. The University was acquired by the group in late 2014, and offers MBA, Bcom, BA and associate degree and foundation courses to students in Vancouver and online. The University holds Education Quality Assurance designation in British Columbia, is a member of the Association to Advance Collegiate Schools of Business (AACSB) Business Education Alliance and is accredited by the Accreditation Council for Business Schools and Programs (ACBSP). In 2020, UCW opened its new state-of-the-art, purpose-built campus in downtown Vancouver, Vancouver House.

St Patrick's International College traces its roots to 1803 when it was set up as a school in the London St Giles' Parish with the backing of St Patrick's Church. After the Catholic Primary School closed, the Catholic Church continued to run St Patrick's as a Language School teaching English. In 1998 it changed hands and the College soon started to teach diplomas and degrees at both undergraduate and postgraduate level in Law, Business, Hospitality, Computing and Health & Social Care. The group acquired its interest in 2012.

GISMA Business School was launched in 1999 as a joint initiative by the state of Lower Saxony and visionary private-sector enterprises. GISMA currently offers MBA courses and executive education courses in Hanover and in Berlin, and is accredited by the Association of MBAs (AMBA), one of the most prestigious accolades for business studies. The school has partnerships with a number of European business schools. In 2013, GISMA became part of the GUS group.

Edology (InterActive) is the online division of the GUS group offering an award winning distance learning platform providing recognised professional courses, undergraduate education, postgraduate education and executive programmes. These are offered 100% online in collaboration with some of the world's leading educational institutions.

The Language Gallery (TLG) is the Group's language training brand with schools in London, Birmingham, Manchester, Toronto, Vancouver, Singapore and Hannover. TLG grew to become one of the most successful language training providers globally with a focus on top quality, student-centered provision. TLG schools are accredited by the British Council, EQUIS, ACELS, English UK, Languages Canada, and Business English UK.

IBAT College Dublin provides courses in business, accountancy, information technology and English Language. The College offers full and part-time courses at skills, degree (accredited by Quality and Qualifications Ireland (QQI) and masters level out of its centrally located

The University of Europe for Applied Sciences is a prominent state accredited higher education provider in Germany, with four campuses in Berlin, Potsdam, Hamburg, and Iserlohn. Through its faculties, the University of Europe for Applied Sciences offers courses in business, art and design, media and communications, as well as sports management and psychology. UE combines creativity, entrepreneurship & technology under one roof on an international level – competencies which are in high demand in today's and tomorrow's world of work.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

1 General information (continued)

HTK Academy of Design, founded in Hamburg in 1987 and also based in Berlin since 2001, is Germany's largest private vocational academy in Graphic Design and has the status of a state-accredited, Private Berufsfachschule' in Hamburg and of a Ergänzungsschule (supplementary school) in Berlin. HTK has trained thousands of communication designers in the key areas of Visual Communication: Advertising Design, Digital Media, Editorial Design and Illustration.

London College of Creative Media is a centre of excellence for music and media education, offering undergraduate degrees in music, writing, and music management; a postgraduate degree in creative entrepreneurship; and shorter courses in music performance and production. It was founded in 2002 as the London Centre of Contemporary Music and changed to its present name in 2016. LCCM was also the home of the National Youth Jazz Orchestra from 2012 to 2017 and in 2018 moved to a new, state-of the art purpose-built campus, the Music Box.

Toronto School of Management is a registered Private Career College, offering a range of diploma courses in big data, accounting, business, IT, hospitality as well as a number of university pathway programmes and co-op placements for students from its campus in the heart of downtown Toronto.

London Academy of Trading was the UK's first accredited trading academy. LAT is an internationally recognised provider of finance education - its programmes focus on the practical application of academic theory to ensure that students enter the workplace feeling confident and in control. Tutors use the latest software to teach students the realities of working in finance.

Berlin School of Business & Innovation – BSBI offers a range of bachelor and master's programmes, in academic partnership with International Telematic University UNINETTUNO, at its Berlin Campus. Established in 2005, Uninettuno delivers (bachelor) degrees, specialisation degrees, and university master's degrees acknowledged throughout the world.

INT - the Institute of Innovation and Technology was established in 2001 and was acquired by Global University Systems in 2018. It has grown to be the leading institute for professional training and certification in the Israeli high-tech industry. The college offers a wide range of specialised courses in all aspects of high-tech industry needs, including tailor made courses in partnership with global industry leaders and offers certified courses by Microsoft, Cisco, ISTQB, and others.

High-Q is Israel's leading and most established exam preparation provider with significant proprietary intellectual property in adaptive learning and gamification of content, operating through 11 locations nationwide and online.

London College of Contemporary Arts (LCCA) is a specialist institution providing career focused programmes in visual media and fashion. Founded in 2011, LCCA offers a variety of foundation, undergraduate, postgraduate and CPD courses.

The India group includes a leading postsecondary institution which specialises in engineering, law and business studies, as well as a prominent design academy with presence across India.

The Canadian College of Technology and Business (formerly, the Poludo Institute of Technology and Media) is a designated learning provider in British Columbia, Canada. Acquired by the group in late 2019, the College is offering a variety of practical training courses in cyber security, data analytics and business.

R3 Education owns and operates three leading accredited graduate medical schools in the Caribbean (Saba University School of Medicine, Medical University of the Americas, St Matthew's University School of Medicine) offering MD and veterinary programmes with excellent USMLE exam outcomes.

Trebas Institute is bilingual, post-secondary college specialising in the recording arts with campuses in Montreal, Quebec, and Toronto, Ontario.

InterCollege Amsterdam is a specialist provider of practical business education offering both local Dutch and international qualifications at the heart of the city.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

I General information (continued)

	Country of incorporation	Main activity	Group shareholding, %	
			31 May 2022	31 May 2021
GUS Holding BV Group				
Global University Systems Holding B.V.	Netherlands	Holding company		
Global University Systems B.V.	Netherlands	Holding company	100	100
Lake International Limited	England	Holding company	100	100
Lake Bridge International Plc	England	Finance	100	100
Trinity Bidco LLC	England	Holding company	100	100
Global University Systems Capital B.V.	Netherlands	Finance	100	100
Markermeer Finance B.V.	Netherlands	Finance	100	100
Lake Finco II Limited	England	Finance	100	100
Study Abroad B.V.	Netherlands	Students Recruitment	100	100
Study Abroad Ltd (UAE)	UAE	Students Recruitment	100	100
Finance and Business Training Limited	England	Educational services	100	100
The Accountancy College Limited	England	Educational services	100	100
InterActive Pro Limited	England	Educational services	100	100
Accent Language Limited	England	Educational services	100	100
Interactive Manchester Limited	England	Educational services	100	100
London School of Business & Finance Pte. Ltd.	Singapore	Educational services	100	100
London College of Contemporary Arts Limited	England	Educational services	100	100
St. Patrick's International College Limited	England	Educational services	100	100
St. Patrick's College Limited	England	Educational services	100	100
GISMA Business School GmbH	Germany	Educational services	100	100
Toronto School of Management Inc.	Canada	Educational services	100	100
Learningwise Education Inc DBA University Canada West	Canada	Educational services	100	100
Language Gallery Inc.	Canada	Educational services	100	100
Global University Systems Canada Inc.	Canada	Holding company	100	100
Global University Systems Canada Holdings Inc.	Canada	Holding company	100	100
London Academy of Trading Limited	England	Educational services	78.5	78.5
GUS UK Management Limited	England	Finance	100	100
GUS Services UK Limited	England	Educational services	100	100
GUS (USA) LLC	USA	Students Recruitment	100	100
InterActive World Wide Limited	England	Educational services	100	100
London School of Business & Finance (UK) Limited	England	Educational services	100	100
Digital Unicorn Limited	England	Educational services	100	100
Aspire Education Consultants UK Ltd	England	Educational services	80	80
I.B.A.T. Limited	Ireland	Educational services	100	100
High-Q Global Ltd.	Israel	Educational services	100	100
LCCM AU UK LTD	England	Educational services	100	98.5
Institute of Technology and Innovation iNT Ltd	Israel	Educational services	80	80
BSBI-Berlin School of Business and Innovation	Germany	Educational services	100	100
Guildford Campus Property Limited	England	Educational services	100	100
Chester Campus Property Limited	England	Educational services	100	100
The Language Gallery Vancouver GP Inc	England	Educational services	100	100
UK Academic Holdings Limited	England	Educational services	100	100
GUS Education India LLP	India	Educational services	100	100
Canadian College of Management and Technology	Canada	Educational services	85	85
India Group	India	Educational services	100	100
The University Of Law Limited	England	Educational services	100	100
College of Law Services Limited	England	Educational services	100	100
ULAW UK Limited	England	Educational services	100	100
L-] Bidco Limited	England	Intermediate company	100	100
Arden University Limited	England	Educational services	98.5	98.5
GUS Germany GmbH	Germany	Educational services	100	100
University of Applied Sciences Europe GmbH	Germany	Educational services	100	100
HTK GmbH	Germany	Educational services	100	100

In addition to the above listed companies, the Group also owns a number of entities which are not active or dormant.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

2 Basis of preparation of the financial statements

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, issued by the International Accounting Standards Board (IASB).

2.2 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, that have been measured at fair value.

The Group maintains its accounting records in the relevant local currencies and prepares its statutory financial statements in accordance with the applicable local accounting standards. The financial statements are based on the statutory accounting records, with adjustments and reclassifications for the purpose of fair presentation in compliance with IFRS as adopted by the European Union.

The consolidated financial statements are general purpose consolidated financial statements prepared in accordance with IFRS as adopted by the European Union, and are not intended to be statutory financial statements as prescribed by Dutch legislation. They have been prepared to provide information about the financial position, performance and changes in the financial position of the Group (all reported in accordance with IFRS) to users who have been authorised by the Company to receive them.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 May 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all the relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee; rights arising from other contractual arrangements; the Group's voting rights and potential voting rights.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss.

2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Business combinations and goodwill (continued)

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for using book value accounting. Any result from the acquisition is recognised directly in equity.

Disposals of interests in subsidiaries to entities that are under the control of the shareholder that controls the Group are accounted for using book value accounting. Any result from the disposal is recognised directly in equity.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

2.5 Functional and presentation currency

(a) Functional and presentation currency

All items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The national currency of the UK, Pound Sterling ("GBP") is the functional currency for the Group's entities that operate in and out of the UK. For the entities that operate in Canada the functional currency is Canadian Dollar ("CAD"), for the entity that operates in the Republic of Singapore the functional currency is Singapore Dollar ("SGD"), for the entities that operate in Germany, Ireland and the Netherlands the functional currency is Euro ("EUR"), for the entity that operates in the USA, and the entities which operate in the Caribbean the functional currency is US Dollar ("USD"), for the entities that operate in the Republic India the functional currency is Indian Rupee ("INR"), for the entities that operate in the Israel the functional currency is New Israeli Shekel ("ILS"), for the entities that operate in the Republic of the Philippines the functional currency is Philippine peso ("PHP"), for the entities that operate in the Czech Republic the functional currency is Czech koruna ("CZK"), for the entities that operate in Hong Kong the functional currency is the Hong Kong dollar ("HKD"). Financial statements are presented in thousand of GBP, unless otherwise stated.

(b) Foreign currency transactions

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the date of transactions. All monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at each reporting date. Non-monetary items carried at historical cost are translated at the exchange rate prevailing at the date of transaction. Non-monetary items carried at fair value are translated at the exchange rate prevailing at the date on which the most recent fair value was determined. Exchange differences arising from changes in exchange rates are recognised in the statement of comprehensive income.

Exchange rates used in the preparation of these financial statements were as follows:

Currency	31 May 2022	Average for the year ended 31 May 2022	31 May 2021	Average for the 18 months ended 31 May 2021
GBP/CAD	1.6032	1.6961	1.7122	1.7245
GBP/SGD	1.7281	1.8233	1.8753	1.7911
GBP/EUR	1.1745	1.1807	1.1631	1.1348
GBP/USD	1.2644	1.3449	1.4183	1.3134
GBP/INR	97.8778	100.8621	102.5080	96.8034
GBP/ILS	4.2111	4.3319	4.6012	4.4525
GBP/PHP	66.1023	68.2442	67.6829	64.7111
GBP/CZK	29.0183	29.6353	29.5796	29.7858
GBP/HKD	9.9234	10.4900	11.0070	10.1920

(c) Translation into presentation currency

- (1) all assets and liabilities, both monetary and non-monetary, are translated at closing exchange rates at the dates of each statement of financial position presented;
- (2) income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case exchange rates at the date of transactions are used;
- (3) all equity items are translated at the historical exchange rates;
- (4) all resulting exchange differences are recognised as a separate component in other comprehensive income;
- (5) in the statement of cash flows, cash balances at the beginning and end of each period presented are translated at exchange rates at the respective dates. All cash flows are translated at the average exchange rates for the periods presented. Resulting exchange differences are presented as effect of translation to presentation currency.

2.6 Going concern

These financial statements are prepared on a going concern basis, which implies realisation of assets and settlement of liabilities in the normal course of business.

2.7 Comparative figures

The accounting policies are consistent with those used in the previous year. For comparison purposes, some comparative figures have been reclassified.

3 Significant estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, due to the inherent uncertainty contained in such estimates, actual results recorded in future periods may differ from such estimates.

The Management has made the following judgments, estimates and assumptions, which have the most significant effect on the amounts recognised in these financial statements:

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

3.1. Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. This requires an estimation of the value in use of the cash-generating units to which the item is allocated. The determination of impairments of property, plant and equipment involves the use of estimates that include, but are not limited to, the cause, timing and amount of the impairment. Impairment is based on a large number of factors, such as changes in current competitive conditions, expectations of growth in the industry, increased cost of capital, changes in the future availability of financing, technological obsolescence, discontinuance of service, current replacement costs and other changes in circumstances that indicate impairment exists. The determination of the recoverable amount of a cash generating unit involves the use of estimates by management.

Methods used to determine the fair value in use include discounted cash flow-based methods, which require the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These estimates, including the methodologies used, may have a material impact on the recoverable value and ultimately the amount of any property, plant and equipment impairment.

Recoverable amount is the higher of fair value less cost to sell and value-in-use. Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount an impairment loss is recognised. Impairment losses are recognised in the statement of comprehensive income.

Where an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the original carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of the comprehensive income.

3.2. Impairment of goodwill and intangible assets with indefinite useful life

For goodwill and intangible assets with indefinite useful life a recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in statement of the comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

3.3 Useful lives of items of property, plant and equipment

The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end. The management assesses the remaining useful life of property, plant and equipment in accordance with the current technical conditions of assets and estimated period when these assets bring economic benefit to the Group. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

3.4 Estimated credit loss and write-off policy

Measurement of expected credit losses is a significant estimate that involves the combination of determination methodology, models and data inputs. At each reporting date, the Group recognises a lifetime expected credit losses allowance for each individual financial asset or a group of assets if the respective credit risk on that asset has significantly increased since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not significantly increased since initial recognition, the expected credit losses allowance for that financial instrument is measured at an amount equal to the 12-month expected credit losses.

In respect of its trade receivable and contract assets the Group always measures the expected credit losses allowance in the amount equal to expected credit losses over the entire lifetime of the financial instrument. Costs to create an expected credit losses allowance for trade accounts receivable are recorded in other operating expenses in the statement of comprehensive income. Details of expected credit losses measurement methodology are disclosed in Note 19.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Determining the cash flows for which there is no reasonable expectation of recovery requires judgement. Management considered the following indicators that there is no reasonable expectation of recovery: liquidation or bankruptcy proceedings, fair value of collateral is less than the costs to repossess it or enforcement activities were completed.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

3.5 Revenue completion

Having considered the variety of course types provided by different group institutions, their length and the profile of performance obligations of component institutions, the Group concluded that revenue is to be recognised over time for two discrete elements of the Group's performance obligations: enrolment, financial aid and learning resources; and, course delivery. The proportion of revenue associated with enrolment, financial aid and learning resources is recognised at the point of enrolment of the student, as the most reliable estimate of the proportion of the Group's performance obligations performed at such point in time. Those include the evaluation of prospective student's application, dealing with any visa or student finance related matters, the delivery of pre sessional skills training (where applicable) and dispatch of books and materials or activation of online access to digital learning resources. The course delivery element of the revenue in respect of a contract is recognised in a straight line over the period of the course length, in line with the delivery profile where students simultaneously receive and consume the services provided by the Group. Overall, enrolment, financial aid and learning resources represent 25% of revenue and course revenue 75% of revenue.

3.6 Corporate tax provision and tax prepayments

Income tax includes provision due to the difference in accounting reference dates between component companies. Any differences between tax estimates and final tax assessments are charged to the income statement in the period in which they are incurred, unless anticipated. Where tax is prepaid (either in the ordinary course or as part of a dispute with the tax authority) and the Group believes that it is more likely than not that it would be refunded at a future date, a prepayment asset is recognised (see Note 26).

3.7 Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand CrBP, unless otherwise stated)

4 Significant accounting policies

4.1 Revenue recognition

Revenue is income arising in the course of the Group's ordinary activities, namely the provision of education and training courses, and ancillary services. The Group recognises the amount of contract price allocated to the satisfied performance obligation as revenue. A transaction price is the amount of consideration that the Group expects to be entitled to in exchange for delivering promised services or transferring control over goods to a customer, excluding the amounts collected on behalf of third parties.

Revenue is recognised net of discounts, returns and value added tax and other similar mandatory payments.

The Group's contracts with customers are fixed-price contracts generally and include both advance payment towards the contract and payments during the period of delivery of service and after the delivery of goods or performance of services to customers. As a rule, sales that require a payment after the control over a good or service is transferred to customers are made with credit terms of 30 days or less, which is consistent with the market practice, and consequently trade receivables are classified as current assets.

A receivable is recognised when, in accordance with the terms of student contracts and/or applicable regulations, students are liable for the course fees (typically in advance of, or within 30 days of the course start date) as this is the point in time that the consideration is unconditional contractually and only the passage of time is required before the payment is due.

Contract assets are recognised when the time of the performance obligation satisfaction is different to the time of billing and is different to the time of payment. Contract assets are recognised in respect of recruitment services and are recorded as accrued income in the statement of financial position.

A contract liability is the Group's obligation to transfer services or goods to a customer for which the Group has received a consideration from the customer. Contract liabilities to the customers are recorded as current and non-current payables (deferred income) in the statement of financial position. Current deferred income represent performance obligations satisfied in the next reporting period.

Rendering of educational services

The Group provides education and training services. The Group's obligations to provide services are performed with the passage of time. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Rendering of recruitment services

Revenue from rendering of recruitment services is recognised when the Group has fulfilled all of its obligations. The provision in respect of recruitment, retention, and online education services for third parties is based on management estimates. The benchmark relied upon by management is the six year graduation rate in four-year institutions where the acceptance rate is less than 25 percent as reported by the National Center of Education Statistics within the U.S. Department of Education.

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of a part replaced is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Major renewals and improvements are capitalised and the assets replaced are retired. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in item "Other operating costs" or "Other operating income" in the statement of comprehensive income.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Freehold land	Indefinite
Buildings	50 years
Leasehold improvements	Shorter period of the lease term and 5 years
Computer equipment and other	3 years
Furniture, fixtures and fittings	5 years
Vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Capital construction-in-progress comprises costs directly related to construction of buildings, infrastructure, machinery and equipment. Cost also includes finance charges capitalised during the construction period where such costs are financed by borrowings. Depreciation of these assets commences when the assets are put into production.

Depreciation of property, plant and equipment is recognised within the "Depreciation and amortisation" item in the statement of comprehensive income.

4.3 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is assigned by using the FIFO cost formula. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The Group periodically analyses inventories to determine whether they are damaged, obsolete or slow moving or if their net realisable value has declined, and makes an allowance for such inventories. If such situation occurs, the sum of the remissive cost of inventories should be reflected in statement of comprehensive income.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

4.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Costs incurred on development (relating to the design, construction and testing of new or improved devices, products, processes or systems) are recognised as intangible assets only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of adequate resources to complete the development, and the ability to measure reliably the expenditure during the development. Other development expenditures are recognised as an expense as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is charged on a straight-line basis over the following economic useful lives of these assets:

Brand	Indefinite
Customer contracts/relationships	8-10 years
Course materials	5 years
Websites	5 - 10 years
Software	3 - 15 years

Amortisation of intangible assets is recognised within the "Depreciation and amortisation" item in the statement of comprehensive income.

4.5 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, should be capitalised. Other borrowing costs are recognised as an expense.

4.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. Lease contracts typically contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The Group does not have lease contracts that contain variable payments.

Lease payments are allocated between principal and finance cost.

The Group also has certain leases of office equipment with low value. The Group applies 'lease of low-value assets' recognition exemption for these leases.

The Group took advantage of permissible exemption of not reassessing whether a contract is, or contains, a lease at the date of initial application, applying this exemption to all contracts that were previously identified as leases under IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'.

In measuring lease liability, single incremental borrowing rate was applied to leases with similar economic environment.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options for periods after termination options, are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group also used hindsight in determining the lease term in cases where the contract contains options to extend or terminate the lease.

For leases of property, the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

4.7 Financial instruments

Financial instruments are any contracts that give rise to a financial asset in one entity and financial liability or equity instrument in another

Financial assets

(a) Financial assets – initial recognition

Financial instruments measured at fair value through profit or loss are initially recorded at fair value. All other financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price.

A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markers. After the initial recognition, an expected credit losses allowance is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

The Group's trade receivables considered by the Management as such that contain no significant financing component, including due to the maturity being less than 12 months for such a liability, are initially measured at transaction price – a consideration expected in exchange for transferring the promised goods or services with subsequent recognition of the expected credit losses allowance.

(b) Financial assets – classification and subsequent measurement: measurement categories

The Group classifies financial assets in the following measurement categories: at fair value through profit or loss, at fair value through other comprehensive income and at amortised cost. The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The business model reflects how the Group manages the assets in order to generate cash flows – whether the Group's objective is: (i) solely to collect the contractual cash flows from the assets or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets. If neither of (i) and (ii) is applicable, the financial assets are classified as part of “other” business model and measured at fair value through profit or loss.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the Group undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the Group in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed and how managers are compensated.

The Group's Management analysed all financial assets recorded as at 31 May 2022 and concluded that all financial assets are held as part of a business model that assumes holding assets to collect contractual cash flows which represent solely payments of principal and interest on the principal amount outstanding.

As at 31 May 2022 the Group did not have financial assets measured at fair value through profit or loss or other comprehensive income.

Financial assets of the Group are presented by accounts receivable, contract assets (accrued income), loans issued and cash and cash at deposits.

After the initial recognition at fair value such financial assets are subsequently carried at amortised cost using the effective interest method, less impairment loss. Amortised cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest method amortisation is included in finance income in the statement of profit or loss.

Financial instruments are reclassified when and only when the business model for managing those financial instruments is changed in its entirety. The reclassification has a prospective effect and takes place from the beginning of the first reporting period that follows after the change in the business model. The entity did not change its business model during the current period and did not make any reclassifications.

(c) Impairment of financial assets – expected credit loss allowance

The Group recognises a loss allowance for expected credit losses on a financial asset, other than those measured at fair value through profit or loss, at the end of each reporting period. At each reporting date, the Group recognises a lifetime expected credit losses allowance for each individual financial asset or a group of assets if the respective credit risk on that asset has significantly increased since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not significantly increased since initial recognition, the expected credit losses allowance for that financial instrument is measured at an amount equal to the 12-month expected credit losses.

In respect of trade accounts receivable and contract assets, the Group measures the expected credit losses allowance in the amount equal to expected credit losses over the entire lifetime of the financial instrument. The costs for creating an expected credit losses allowance for trade and other receivables are recorded within other operating expenses in the statement of comprehensive income.

Expected credit losses are measured by the Group on the basis of an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and all reasonable and supportable information about past events, current conditions and forecasts of future conditions that is available without undue cost and effort at the end of each reporting period.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

4.7 Financial instruments (continued)

(d) Write-off of financial assets

Financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. Indicators that there is no reasonable expectation of recovery include:

- a counterparty experiences significant financial difficulties as evidenced from the financial information about that counterparty available to the Group;
- a counterparty considers to enter bankruptcy or other financial reorganisation;
- there is a negative change in the counterparty's payment status due to changes in national or local economic conditions affecting the counterparty.

The Group may write off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

(e) Derecognition of financial assets

The Group derecognises financial assets, (a) when those assets are settled or the cash flow rights associated with those assets have expired, or (b) the Group has transferred the cash flow rights from the financial assets or has entered into a transfer agreement, and (i) also transferred substantially all the risks and rewards of ownership of these assets, or (ii) neither transferred nor retained virtually all risks and rewards of ownership of those assets, but lost control of those assets. Control is maintained if the counterparty has no practical ability to fully sell the asset to an unrelated third party without imposing restrictions on sales.

Financial liabilities

(a) Financial liabilities – initial recognition and subsequent measurement

The Group classifies its financial liabilities using the following categories: loans and borrowings received, lease liabilities, trade and other payables. The Group did not classify any of its liabilities as financial liabilities stated at fair value through profit or loss, financial liabilities arising when the transfer of financial assets does not qualify for derecognition or when applying the continuing involvement approach, financial guarantee contracts, or obligations to provide loans at below-market interest rates.

All financial liabilities are initially carried at fair value less (except for financial liabilities measured at fair value through profit or loss) transaction costs that can be directly attributed to the creation of a financial liability.

After initial recognition, the Group carries its financial liabilities at amortised cost using the effective interest method. Under the effective interest method, interest expenses over the period remaining to maturity are paid at a constant interest rate on the remaining balance of the liability recognised in the income statement. In this context, interest expenses comprise initial transaction costs and interest payable at a settlement, as well as any other interest payable, if the liabilities are unpaid.

(b) Financial liabilities – derecognition

Financial liabilities are derecognised when the respective obligations are discharged, cancelled or expire.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off must not be contingent on a future event and must be legally enforceable in all of the following circumstances: (i) in the ordinary course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash in bank, cash in hand, other short term highly liquid investments with original maturities of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and short term deposits as defined above, net of outstanding bank overdrafts.

4.9 Prepayments

Prepayments are reflected at nominal value less accumulated impairment losses. Prepayments are classified as non-current assets when the goods or services relating to the prepayment are expected to be provided later than in one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised as a part of other expenses in statement of comprehensive income.

4.10 Share capital

The structure of the share capital is specified in (Note 23).

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

4.11 Shareholder borrowings

In the past, the Group has received interest-free borrowings from the shareholder. Term financial instruments are recorded on initial recognition at fair value using the effective interest rate method. Judgment is applied in determining market rates for initial recognition of financial instrument at fair value. The Group's accounting policy is to record effect on initial recognition within equity and unwinding of interest expenses are recorded as interest expenses in the profit or loss.

4.12 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where Group entities operate and generate taxable income.

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

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

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

4.13 Contingent assets and liabilities

Contingent liabilities are not recognised in the financial statements. Such liabilities are disclosed in the notes to the financial statements, except when the probability of outflow of resources embodying economic benefits is insignificant.

Contingent assets are not recognised in the financial statements, but disclosed in the notes to the extent that it is probable that the economic benefits will flow to the Group.

4.14 Related parties

For the purposes of these financial statements, the parties are considered to be related if one of the parties (including individual) has a possibility to control or considerable influence the operational and financial decisions of other company. While considering any relation which can be defined as related party transaction it is necessary to take into consideration the substance of the transaction not only its legal form.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

5 New and amended standards and interpretations

New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2021.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2.
- Amendments to IFRS 16 Leases COVID-19-Related Rent Concessions beyond 30 June 2021.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 – Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023).
- Amendments IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9 (effective for annual reporting periods beginning on or after 1 January 2023).
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (applied for annual periods beginning on or after 1 January 2023).
- Amendments to IFRS 17 – Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2023).
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 8 – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use (effective for annual reporting periods beginning on or after 1 January 2022).
- Amendments to IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities (effective for annual reporting periods beginning on or after 1 January 2022).
- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract (effective for annual reporting periods beginning on or after 1 January 2022).
- Amendments to IFRS 3 – Reference to the Conceptual Framework (effective for annual reporting periods beginning on or after 1 January 2022).
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (applied for annual periods beginning on or after 1 January 2022).
- Amendments to IAS 41 Agriculture – Taxation in fair value measurements (applied for annual periods beginning on or after 1 January 2022).

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022

(in thousand GBP, unless otherwise stated)

6 Acquisition of subsidiaries

Acquisition during the 2022 financial year

On 31 August 2021 the Group gained control over Edvancer Eduventures Private Limited by obtaining 100% of its shares issued. The acquisition continued the Group's entrance in Indian education market.

Acquisition during the 2020 financial year

On 6 February 2020 the Group gained control over R3 Education Inc and its subsidiaries by obtaining 100% of its shares issued. The acquisition expanded the Group's presence in a fast-growing market for accredited, graduate-level medical education. R3 Education Inc and its subsidiaries were acquired for a consideration higher its net book value as at the date of acquisition.

On 26 February 2020 the Group gained control over Trebas Institute Ontario Inc. and Trebas Institute Quebec Inc. by obtaining 100% of its shares issued. Total amount of Consideration is CAD 3 829 thousand.

The results of acquisitions of the companies above are presented below.

Company Name	Country of incorporation	Type of activity	Date of acquisition	Group interest, %
R3 Education, Inc	USA	Education	06.02.2020	100.0
Trebas Institute	Canada	Education	26.02.2020	100.0
InterCollege Holding B.V.	Netherlands	Education	31.12.2019	100.0

Information about the fair value of identifiable assets and liabilities of acquired companies at the acquisition date is presented below:

	R3 Education Inc and its subsidiaries	ICJ.	Trebas Group	Total
Non-current assets				
Property, plant and equipment	48,273	209	198	48,471
Escrow accounts	968	-	-	968
Deposits and guarantees	230	-	113	343
Deferred tax asset	66	-	-	66
Current assets				
Trade and other receivables	3,543	362	1,018	4,561
Prepaid expenses	1,202	30	82	1,284
Prepaid income tax	443	-	-	443
Loans issued	-	-	-	-
Cash and cash equivalents	35,279	48	37	35,316
Non-current liabilities				
Trade and other payables	(920)	-	(80)	(1,000)
Income tax payable	(4,974)	-	-	(4,974)
Current liabilities				
Trade and other payables	(24,362)	(129)	(80)	(24,442)
Prepaid expenses	-	-	82	82
Accrued expenses	(4,013)	-	-	(4,013)
Income tax payable	(1,495)	-	-	(1,495)
Deferred income	(10,966)	(841)	(1,445)	(12,411)
Total identifiable net assets at fair value	43,274	(321)	(75)	43,199
Non-controlling interest	-	-	-	-
Goodwill arising on acquisition	23,987	1,167	2,307	26,294
Gain from a bargain purchase	-	-	-	-
Purchase consideration				
Consideration paid in cash and cash equivalents	67,261	846	2,232	69,493
Liability for contingent consideration	-	-	-	-
Total consideration	67,261	846	2,232	69,493
Cash flow on acquisition				
Net cash acquired with the subsidiary	35,279	48	37	35,316
Cash paid	(67,261)	(846)	(2,232)	(69,493)
Net cash inflow (outflow)	(31,982)	(798)	(2,195)	(34,177)

As a result of the acquisitions of Trebas Group and R3 Education Inc and its subsidiaries acquisition goodwill was recognised. The goodwill of GBP 2 307 thousand and GBP 23 987 thousand, respectively, comprise the value of expected synergies arising from the acquisition. The goodwill recognised is not expected to be deductible for income tax purposes.

In December 2019 the Group gained control over Inter College Holding BV and its subsidiaries by obtaining 100% of its shares issued. Total amount of Consideration is EUR 991 thousand.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**
(in thousand GBP, unless otherwise stated)

7 Revenue

	Year ended 31 May 2022	18 months ended 31 May 2021
Academic programmes	505,547	655,917
Professional training programmes	35,529	22,064
Language programmes	4,486	7,746
Recruitment, retention and online services	46,913	49,908
Scholarship and bursaries	(9,429)	(5,360)
	583,046	730,275

The provision of recruitment, retention, and online education services represents student contracts concluded with a third party, where the provision of education is by the third party.

8 Staff costs

	Year ended 31 May 2022	18 months ended 31 May 2021
Staff costs	(238,848)	(298,068)
The average number of full-time employees, persons	4,442	5,230

9 Marketing costs

	Year ended 31 May 2022	18 months ended 31 May 2021
Advertising costs	(39,733)	(38,716)
Online marketing and other marketing expenses	(13,404)	(13,665)
	(53,137)	(52,381)

10 Other operating costs

	Year ended 31 May 2022	18 months ended 31 May 2021
Rent and rates	(13,110)	(16,170)
Utilities	(2,419)	(3,078)
Cleaning, security, insurance and maintenance	(17,015)	(25,821)
Commission and acquisition costs	(29,032)	(22,285)
Travel costs	(7,754)	(5,335)
Communication costs	(3,441)	(4,916)
Professional services	(21,886)	(28,469)
Materials	(11,783)	(24,459)
Partnership and accreditation fees	(7,587)	(9,444)
Student accommodation	(1,438)	(2,124)
Bank charges	(3,050)	(3,385)
Recruitment costs	(7,154)	(6,812)
Indirect taxation (net)	(6,916)	(8,867)
Collection, recovery and bad debt expense	(3,904)	(8,480)
Software licensing and maintenance	(4,770)	(5,404)
Gain/(loss) on currency exchange rate fluctuations	(985)	(26,107)
Other income, (expenses)	(34,087)	(32,921)
	(176,331)	(234,077)

11 Exceptional costs: derecognition of assets

	Year ended 31 May 2022	18 months ended 31 May 2021
Derecognition of accrued income	(3,553)	(65,437)
Derecognition of intangible assets	-	(15,018)
	(3,553)	(80,455)

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

12 Finance income

	Year ended 31 May 2022	18 months ended 31 May 2021
Interest income on transactions with related parties (Note 27)	8,702	12,661
Other interest	2,121	5,700
Unwinding of original issue discount	3,427	7,898
	14,250	26,259

13 Finance costs

	Year ended 31 May 2022	18 months ended 31 May 2021
Finance raising costs	(1,388)	(4,275)
Derecognition of capitalised finance raising costs		(18,034)
Interest expenses	(37,018)	(53,950)
Finance lease expenses	(14,717)	(20,363)
	(53,123)	(96,622)

Finance raising costs include the costs incurred by the Group in raising debt capital and original issue discount including in respect of the sale of receivables (for the year ended 31 May 2022 - nil GBP; 2021 - GBP 3 619 thousand).

14 Property, plant and equipment

	Right of use assets	Land and buildings	Leasehold improve- ments	Computer equipment and other	Furniture, fixtures and fittings	Vehicles	Total
Cost							
as at 30 November 2019	266,892	47,418	19,705	21,280	20,294	184	375,773
Additions	53,381	2,116	14,616	4,851	1,931	-	76,895
Acquisition of a new subsidiary	-	40,343	2,455	3,854	2,099	606	49,357
Disposals	(668)	(286)	(331)	(374)	(13)	-	(1,672)
Effect of translation to presentation currency	-	(5,562)	(956)	(1,211)	(557)	(57)	(8,343)
as at 31 May 2021	319,605	84,029	35,489	28,400	23,754	733	492,010
Additions	16,038	2,202	3,573	4,195	2,725	95	28,828
Disposals	-	(35)	(4,197)	(705)	(975)	(51)	(5,963)
Effect of translation to presentation currency	-	5,742	1,187	1,228	446	78	8,681
as at 31 May 2022	335,643	91,938	36,052	33,118	25,950	855	523,556
Accumulated depreciation							
as at 30 November 2019	-	(17,242)	(11,564)	(10,381)	(12,780)	(85)	(52,052)
Depreciation for the period	(41,971)	(2,682)	(7,113)	(6,091)	(3,947)	(246)	(62,050)
Acquisition of the new subsidiary	-	-	(278)	(1,052)	(137)	-	(1,467)
Disposals	-	-	-	-	-	-	-
Effect of translation to presentation currency	-	323	524	1,222	402	28	2,499
as at 31 May 2021	(41,971)	(19,601)	(18,431)	(16,302)	(16,462)	(303)	(113,070)
Depreciation for the period	(27,825)	(1,348)	(6,452)	(4,824)	(2,324)	(161)	(42,934)
Disposals	-	-	4,141	704	961	51	5,857
Effect of translation to presentation currency	-	(964)	(620)	(718)	(277)	(38)	(2,617)
as at 31 May 2022	(69,796)	(21,913)	(21,362)	(21,140)	(18,102)	(451)	(152,764)
Net book value							
as at 31 May 2021	277,634	64,428	17,058	12,098	7,292	430	378,940
as at 31 May 2022	265,847	70,025	14,690	11,978	7,848	404	370,792

The Group's property, plant and equipment with carrying value of GBP 51 447 thousand were pledged as collateral as at 31 May 2022 (31 May 2021: GBP 55 671 thousand) (Note 32).

As at the reporting date Group has no contractual liabilities for the purchase of property, plant and equipment.

The gross carrying amount of fully depreciated property, plant and equipment in use, excluding leasehold improvement, as at 31 May 2022 is GBP 23 468 thousand (2021: GBP 22 782 thousand).

As at 31 May 2022 and 31 May 2021, impairment indicators were analysed by the Management of the Group. No indicators of impairment of property, plant and equipment were revealed as at those reporting dates.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

15 Intangible assets

	Brand	Customer relation- ships	Course materials	Websites	Software	Total
Cost						
as at 30 November 2019	45,515	12,641	3,861	6,979	56,118	125,114
Additions	-	-	919	71	1,899	2,889
Acquisition of a new subsidiary	49	-	429	-	404	882
Disposals	-	-	-	-	-	-
Effect of translation to presentation currency	(836)	(284)	(1)	(2)	(200)	(1,323)
as at 31 May 2021	44,728	12,357	5,208	7,048	58,221	127,562
Additions	6	-	319	283	2,445	3,053
Disposals	-	-	(9)	(2,000)	(88)	(2,097)
Effect of translation to presentation currency	356	1,064	18	1	226	1,665
as at 31 May 2022	45,090	13,421	5,536	5,332	60,804	130,183
Accumulated depreciation						
as at 30 November 2019	-	(4,550)	(1,572)	(2,544)	(18,794)	(27,460)
Amortisation for the period	(4)	(1,503)	(1,088)	(14)	(11,855)	(14,464)
Acquisition of a new subsidiary	(9)	-	(54)	-	(337)	(400)
Disposals	-	-	-	-	-	-
Impairment loss	-	-	-	-	(15,018)	(15,018)
Effect of translation to presentation currency	-	198	28	1	187	414
as at 31 May 2021	(13)	(5,855)	(2,686)	(2,557)	(45,817)	(56,928)
Amortisation for the period	-	(1,033)	(733)	(53)	(7,085)	(8,904)
Disposals	-	-	-	2,000	16	2,016
Effect of translation to presentation currency	-	(565)	(7)	(2)	(146)	(720)
as at 31 May 2022	(13)	(7,453)	(3,426)	(612)	(53,032)	(64,536)
Net book value						
as at 31 May 2021	44,715	6,502	2,522	4,491	12,404	70,634
as at 31 May 2022	45,077	5,968	2,110	4,720	7,772	65,647

The gross carrying amount of fully depreciated intangible assets as at 31 May 2022 is GBP 9 448 thousand (31 May 2021: GBP 6 964 thousand).

16 Goodwill

The net carrying amount of goodwill at 31 May 2022 and 31 May 2021 is GBP 181 303 thousand.

The Group performs its annual impairment test as at 31 May. As at 31 May 2022 and 31 May 2021 no impairment was identified. The recoverable amount of CGUs has been determined based on a value in use calculation using cash flow projections from financial budgets for five years approved by senior management. The growth rates used to extrapolate cash flow projections for terminal period are 2% for R3 Education Inc., 2% for InterCollege Amsterdam, 2% for University of Law, 1,8% for Arden and LCCM AU UK Limited, 1,8% for I.B.A.T., 3% for Institute of Technology and Innovation Ltd and 3% for India Group. The pre-tax discount rates, CGUs weighted average cost of capital, applied to cash flow projections for the impairment test at 31 May 2022 were 9,2% for Arden, 8,3% for LCCM AU UK Limited, 8,8% for I.B.A.T. Limited, 14,1% for Institute of Technology and Innovation Ltd, 13,2% for India Group, 12,1% for R3 Education Inc., 9,2% for InterCollege Amsterdam and 9,2% for University of Law (31 May 2021: 8,3%, 8,3%, 8,8%, 14,1%, 13,1%, 11%, 8,3%, 8,3%).

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

17 Loans issued and other financial assets

	31 May 2022	31 May 2021
Non-current financial assets		
Long-term loans issued to related parties (Note 27)	200,027	191,877
Current financial assets		
Loans issued	29,515	28,786
Loans issued to related parties (Note 27)	69,146	46,011
Allowance on expected credit losses for loans issued	(14,830)	(14,201)
	83,831	60,596
	283,858	252,473

Long-term loans issued to related parties represented by loans issued to Academic Bridge B.V. with principal amount totalling to GBP 166 955 thousand (31 May 2021: GBP 167 451 thousand) and outstanding interest accrued totalling to GBP 33 073 thousand (31 May 2021: GBP 24 426 thousand). Loans are expected to be repaid in 2024 or later, interest rate for loans is 5,2 %.

The Group's current financial assets amounting to GBP 24 866 thousand were pledged as collateral as at 31 May 2022 (31 May 2021: GBP 24 135 thousand) (Note 32).

Expected credit losses for loans issued are determined based on analysis of loans issued for potential credit losses (impairment) on individual basis. The Group recognized allowance for expected credit losses in respect of short term loans issued.

18 Deposits and guarantees

	31 May 2022	31 May 2021
Rent deposits	7,200	7,116
	7,200	7,116

Rent deposits are represented by security deposits paid by Group companies to the lessors at the inception of the lease in compliance with the lease agreements.

19 Trade and other receivables

	31 May 2022	31 May 2021
Trade receivables	391,888	288,103
Other receivables	4,032	3,168
Allowance for expected credit losses	(40,313)	(29,907)
	355,607	261,364

The Group applies a simplified approach introduced by IFRS 9 to measure the expected credit losses. Under this approach, the expected credit losses allowance is measured as lifetime expected credit losses and applies to all trade receivables. To measure the expected credit losses, trade receivables were grouped by reference to general characteristics of the credit risk and a number of days past due.

The expected credit loss rates are based on migration of trade receivables over a period of 12 months or 24 months ended 31 May and the corresponding historical credit losses incurred for this period. The historical loss rates are not adjusted to reflect the current and forecasted information on macroeconomic factors, as the obligations to fulfil the terms of contracts have a short-term nature and the effect of adjustments is immaterial. In respect of current year trade receivables with similar characteristics to those that the Group has in the past sold, the average historic original issue discount on such is also considered when estimating the expected credit losses rate.

The credit loss allowance for trade receivables is determined according to provision the matrix presented in the table below. The provision matrix is based on the number of days that an asset is past due. The table contains the ageing of trade receivables as at 31 May 2022.

	31 May 2022		
	Gross carrying amount	Expected loss rate*	Expected credit losses
Not past due	236,435	0.81%	(1,925)
Past due 1-30 days	48,092	0.35%	(168)
Past due 31-90 days	28,922	4.11%	(1,190)
Past due 91-180 days	32,318	10.81%	(3,492)
Past due 181-270 days	16,690	14.78%	(2,467)
Past due 271-360 days	8,594	72.17%	(6,202)
Past due over 360 days	24,870	100.00%	(24,870)
	395,921		(40,314)

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

19 Trade and other receivables (continued)

The table contains the ageing of trade receivables as at 31 May 2021.

		31 May 2021	
	Gross carrying amount	Expected loss rate*	Expected credit losses
Not past due	220,569	0.25%	(549)
Past due 1-30 days	3,059	6.22%	(190)
Past due 31-90 days	20,986	12.16%	(2,553)
Past due 91-180 days	15,520	30.24%	(4,693)
Past due 181-270 days	12,049	31.98%	(3,854)
Past due 271-360 days	3,716	72.54%	(2,696)
Past due over 360 days	15,373	100.00%	(15,373)
	291,272		(29,908)

The Group's trade receivables of GBP 237,843 were pledged as collateral as at 31 May 2022 (GBP 235,930 as at 31 May 2021).

20 Prepaid expenses and accrued income

	31 May 2022	31 May 2021
Non-current accrued income		
Accrued income	45,491	28,407
Prepaid expenses and current accrued income		
Prepayments	35,190	29,901
Accrued income	69,265	38,028
	104,455	67,929
	149,946	96,336

The Group's prepaid expenses and accrued income amounting to GBP 144,035 thousand were pledged as collateral as at 31 May 2022 (31 May 2021: prepaid expenses and accrued income amounting to GBP 84,928 thousand) (Note 32).

Expected credit losses for accrued income are measured by the Group on the basis of the repayment profiles of other accrued income over a period of 24 months before 31 May 2022, corresponding historical credit losses experienced within this period and considering the time value of money. Amount of ECL for accrued income is insignificant, following the impairment charge applied in amount of GBP 3,553 thousand (18 months ended 31 May 2021: GBP 65,437 thousand) (Note 11).

21 Cash and cash equivalents

	31 May 2022	31 May 2021
Cash in bank in GBP	261,851	277,782
Cash in bank in USD	157,324	126,515
Cash in bank in EUR	16,843	19,312
Cash in bank in CAD	37,953	9,896
Cash in bank in SGD	106	8
Cash in bank in H.S.	148	219
Cash in bank in CZK	21	-
Cash in bank in PHP	81	100
Cash in bank in INR	173	62
Short term deposit in CAD	297	232
Cash in transit	2,153	32
Cash in hand	1,362	1,319
	478,312	435,477

Cash in bank is not impaired.

The Group's cash and cash equivalents of GBP 427,412 thousand were pledged as collateral as at 31 May 2022 (31 May 2021: GBP 322,240 thousand) (Note 32).

22 Cash retained at escrow account

Cash retained at escrow account as at 31 May 2022 represented by cash at escrow amounting to GBP 950 thousand (equivalent USD 1,201 thousand) retained for R3 Education Inc purposes and GBP 42 thousand (equivalent of EUR 47 thousand as at 31 May 2022).

23 Equity

	31 May 2022	31 May 2021
Authorised share capital	158	158
Unpaid share capital	(126)	(126)
	32	32

-this document is signed digitally-

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

23 Equity (continued)

Share capital of Global University Systems Holding B.V. amounts to GBP 32 thousand (EUR 36 thousand) and comprises one class of common shares with nominal value of 1 EUR per share. The number of authorised shares is 180 000 shares.

In August 2014 London School of Business and Finance (UK) Limited has issued perpetual unsecured subordinated non-transferrable bonds, offered to the members of the company only, in the amount of thousand 5 400 GBP.

In the years ended 31 May 2022 and 31 May 2021 dividend payments were subject to certain restrictions applicable from time to time in accordance with the terms of the Group's Senior Facilities Agreement from 30 January 2020. As of the date of these financial statements, dividend payments are subject to certain restrictions applicable from time to time in accordance with the Group's Senior Facilities Agreement from 30 January 2020.

24 Loans and borrowings

	31 May 2022	31 May 2021
Non-current loans and borrowings		
Long-term loans	958,627	966,502
Long-term loans transaction costs	(2,355)	(2,817)
	956,272	963,685
Current loans and borrowings		
Overdrafts and other loans	49,132	17,155
Interest on borrowings	1,315	1,373
Short-term loans from related parties (Note 27)	13,165	11,626
	63,612	30,154

25 Trade and other payables

	31 May 2022	31 May 2021
Trade payables	81,307	43,516
Payables for wages and salaries	5,223	6,563
Payables for unused vacations	341	341
Other payables	59,137	73,392
	146,008	123,812

Other payables are represented mainly by accruals on rent agreements.

26 Corporate tax

Income tax includes provision due to change in accounting reference date in companies. Any differences between tax estimates and final tax assessments are charged to the income statement in the period in which they are incurred, unless anticipated.

For the calculation of the corporate income tax provision of the Group's companies registered in England the rate of 19% was used.

	Year ended 31 May 2022	18 months ended 31 May 2021
Corporation tax in respect of current year	13,086	15,796
Adjustment in respect of prior years	-	-
Total current tax	13,086	15,796
Deferred tax		
Origination and reversal of timing differences	(15,314)	(10,926)
Total deferred tax	(15,314)	(10,926)
Income tax expenses (income)	(2,228)	4,870
	Year ended 31 May 2022	18 months ended 31 May 2021
Profit before tax from continuing operations	51,749	(55,968)
Tax on ordinary activity using the UK headline corporation tax rate	9,832	(10,634)
Effects of:		
Effect of tax rate in foreign jurisdictions and items which are not	(12,060)	15,504
Previously unrecognised tax losses utilised in current year	-	-
Adjustment in respect of prior years	-	-
Unrecognised tax losses	-	-
Tax charge (benefit) in the income statement	(2,228)	4,870
Effective tax rate	4%	-this document is signed digitally-

Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022

(in thousand GBP, unless otherwise stated)

26 Corporate tax (continued)

Movements in temporary differences during the year ended 31 May 2022 and 18 months ended 31 May 2021 are as follows:

	31 May 2022				31 May 2021	
	Deferred tax asset	Deferred tax liability	Recognised in profit and losses	Translation difference	Deferred tax asset	Deferred tax liability
Finance lease liabilities	51,684	-	2,964	-	51,684	-
Property, plant and equipment	1,380	(47,529)	2,412	-	-	(48,561)
Trade and other receivables	10,209	-	3,283	-	6,926	-
Intangible assets	-	(3,644)	(2,848)	-	-	(796)
Tax losses carried forward	-	5,527	4,148	-	1,379	-
Trade and other payables	10,594	1,304	4,847	-	7,051	-
Other financial assets	3,211	69	508	-	2,772	-
Net deferred tax asset (liability)	80,042	(44,273)	15,314	-	69,812	(49,357)

	31 May 2021				30 November 2019		
	Deferred tax asset	Deferred tax liability	Recognised in profit and losses	Recognised in equity (IFRS 16 adoption)	Translation difference	Deferred tax asset	Deferred tax liability
Loans and borrowings	51,684	-	1,106	50,578	-	-	-
Property, plant and equipment	-	(48,561)	3,142	(50,537)	(58)	-	(1,108)
Trade and other receivables	6,926	-	4,059	-	-	4,952	(2,085)
Intangible assets	-	(796)	(533)	-	14	-	(277)
Tax losses carried forward	1,379	-	(1,861)	-	(52)	3,292	-
Trading losses	7,051	-	6,057	-	(81)	1,075	-
Trade and other payables	2,772	-	(1,044)	-	-	3,816	-
Net deferred tax asset (liability)	69,812	(49,357)	10,926	41	(177)	13,135	(3,470)

27 Related party transactions

According to existing criteria of determination of related parties, the related parties of the Group are presented by categories.
The ultimate controlling party is The Heritage Trust.

Transactions and balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	Note	31 May 2022	31 May 2021
Outstanding balances with related parties			
Loans issued to the parent company	17	200,027	191,877
Loans issued to other related parties	17	69,146	46,011
Loans issued / received from related parties	24	13,165	11,626
Transactions with related parties			
Interest income on transactions with related parties	12	8,702	12,661
Receipts from (payments to) on account of reimbursement of expenses and assignment of prepayments at fair value		33,507	33,507

Remuneration of key management personnel

	Year ended 31 May 2022	18 months ended 31 May 2021
Wages and salaries	18,036	18,581
	18,036	18,581

The average number of key management personnel, persons

79

63

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

28 Reconciliation of liabilities' arising from financial activities

The table below details the changes in the Group's liabilities arising from financial activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in Group's cash flow statement as cash flows from financing activities.

	18 months ended 31 May 2021	Cash flows from financing activity	Interest accrued and derecognition of finance raising costs	Forex	Other changes*	Year ended 31 May 2022
Loans and borrowings	993,839	(4,725)	36,028	(8,580)	3,322	1,019,884
Finance lease liabilities	292,139	(35,393)	14,680	5,567	16,575	293,568
	1,285,978	(40,118)	50,708	(3,013)	19,897	1,313,452

Other changes presented by increase of loans due to loans transaction costs amortisation amounting to GBP 2 118 thousand and not-capitalised finance raised cost GBP 777 thousand and loans transaction costs paid amounting to GBP 427.

Other changes for financial lease liabilities were presented by recognition of Right of use asset of GBP 15 390 thousand and changes in low-value leases of 1 185 thousand.

29 Management of financial risks

Operating environment

The principal business activities of the Group are within the United Kingdom, Canada, Singapore, Ireland, India, Israel, the Netherlands, the Caribbean and Germany in addition to the provision of services and online courses globally. The Management considers that a number of risk factors and uncertainties affect the Group's business, including: the general economic environment and competition; reputational risks; regulatory risks; and financial risks (see below). While the Group's management has developed specific plans to deal with each of those risk areas and the directors consider such plans to be adequate, not all risk factors are within management's control. Other risks and uncertainties not listed above could also affect the company.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risks are managed centrally.

This note presents information about Group's exposure of each type of risks, objectives of risk management, policy and procedures of assessment and management, as well as approaches to capital management. Additional qualitative and quantitative information is disclosed through the overall financial statements.

Credit risk is a risk of financial loss to the Group, which results from failure of a buyer or a contractor under a financial instrument to fulfil its contractual obligations. Credit risk arises from cash and cash equivalents, deposits in banks as well as credit exposures to customers, including outstanding receivables. Financial instruments, which potentially subject the Group to concentrations of credit risk, primarily consist of accounts receivable. Management systematically reviews credit risk of receivables, taking into account financial position of customers, their credit history and other factors.

At 31 May 2022, 20.8% of the Group's accrued income and receivables was accounted for by five major contracts (2021: 24.2%, 2019: 45.6%). The Group forms an estimated allowance for trade and other receivables. The amount of the allowance depends on the individual assessment of each particular contractor.

The Group forms an estimated allowance for trade and other receivables. The amount of the allowance depends on the individual assessment of each particular contractor.

	31 May 2022	31 May 2021
Loans issued and other financial assets	298,688	266,674
Accrued income	114,756	66,435
Trade and other receivables	355,607	261,362
Cash and cash equivalents	478,312	435,477
	1,247,363	1,029,948

Distribution of financial assets by maturities is as follows:

	31 May 2022	31 May 2021
Loans issued and short term deposits		
Undue	298,688	266,674
Past due	-	-
Trade and other receivables		
Undue	234,510	220,018
Past due	121,097	41,344
	654,295	528,036

Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022

(in thousand GBP, unless otherwise stated)

29 Management of financial risks (continued)

Reconciliation from opening balance of expected credit losses to that at reporting date is presented as follows.

	Accounts receivable	Loans issued	Total
Expected credit loss as at 30 November 2019	(14,073)	(12,829)	(26,902)
Change due to movement for the period	(13,142)	(1,760)	(14,902)
Write-offs	-	-	-
Changes in models/risk parameters	(2,647)	387	(2,260)
Foreign exchange and other movements	(46)	-	(46)
Expected credit loss as at 31 May 2021	(29,908)	(14,202)	(44,110)
Change due to movement for the period	(16,577)	(62)	(16,639)
Write-offs	-	-	-
Changes in models/risk parameters	5,797	(568)	5,229
Foreign exchange and other movements	374	-	374
Expected credit loss as at 31 May 2022	(40,314)	(14,832)	(55,146)

Management estimates are that the carrying value of trade receivables fairly reflects expected payments.

The Group does not hold collateral as a security for financial assets.

Management estimates are that the carrying value of trade receivables fairly reflects expected payments. Trade receivables that are past due but not impaired relate to customers for whom there is no recent history of credit problems and where management believes collection is probable.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to the management of liquid funds is based on ensuring that the Group has sufficient liquidity to perform its financial obligations when due (both in normal and emergency conditions) by avoiding unacceptable losses or the risk of deterioration of its reputation.

Liquidity risk management implies maintaining the availability of funding through an adequate amount of cash and cash equivalents. Management analyses regularly terms of settlement of obligations and receipts from financial assets, monitors the expected cash flows from operating activities.

Distribution of financial liabilities by maturities is as follows:

as at 31 May 2022

	within 30 days	from 30 to 60 days	from 60 to 90 days	more than 90 days	Total
Trade payables	74,474	2,084	786	3,963	81,307
Loans and borrowings	154	156	967	991,887	993,164
Finance lease liabilities	4,726	621	503	287,718	293,568
Other payables	29,625	-	-	29,512	59,137
	108,979	2,861	2,256	1,313,080	1,427,176

as at 31 May 2021

	within 30 days	from 30 to 60 days	from 60 to 90 days	more than 90 days	Total
Trade payables	41,325	1,422	531	3,387	46,665
Provision	8	8	8	78	102
Loans and borrowings	352	346	335	1,149,687	1,150,720
Finance lease liabilities	1,739	63	63	287,274	292,139
Other payables	50,363	-	-	13,189	63,552
	96,787	1,839	937	1,453,615	1,553,178

Market risk

Market risk, associated with financial instruments, is the risk of change of fair value of financial instruments or the future cash flows expected from a financial instrument, owing to change in interest rates, exchange rates, prices for the commodities or other market indicators. From the risks listed above the Group is essentially exposed to the risks associated with changes in exchange rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency). Such transactions are carried out mainly in GBP, USD, CAD, SGD, EUR, CHF, INR, ISL. The Group's exposure to foreign currency changes for all other currencies is insignificant.

Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022

(in thousand GBP, unless otherwise stated)

29 Management of financial risks (continued)

The sensitivity to the change in USD of the Group's profit before tax:

	Amount of financial instrument as at		Increase (decrease) in exchange rate, %	Effect on profit before tax as at	
	31 May	31 May		31 May	31 May
	2022	2021		2022	2021
Cash and cash equivalents	157,324	126,515	10	15,732	12,652
			-10	(15,732)	(12,652)
Accrued income	94,265	51,745	10	9,427	5,174
			-10	(9,427)	(5,174)
Long-term loans			10	-	-
			-10	-	-
Total effect of change in exchange rate	251,589	178,260	10	25,159	17,826
			-10	(25,159)	(17,826)

The sensitivity to the change in EUR of the Group's profit before tax:

	Amount of financial instrument as at		Increase (decrease) in exchange rate, %	Effect on profit before tax as at	
	31 May	31 May		31 May	31 May
	2022	2021		2022	2021
Cash and cash equivalents	16,843	19,312	10	1,684	1,931
			-10	(1,684)	(1,931)
Accrued income	1,390	1,080	10	139	108
			-10	(139)	(108)
Long-term loans	(956,272)	(857,234)	10	(95,627)	(85,723)
			-10	95,627	85,723
Total effect of change in exchange rate	(938,039)	(836,842)	10	(93,804)	(83,684)
			-10	93,804	83,684

According to Management assessments, as of the reporting date the Group's exposure to foreign currency risk was within an acceptable level, so hedging instruments were not used. This position is being continuously evaluated.

Financial instruments

There was no difference between carrying amounts and fair values of financial instruments as at all reporting dates.

Fair value

The following table provides the fair value measurement hierarchy of the Group's financial instruments for which fair values are disclosed as at 31 May 2022:

	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Financial assets					
Trade and other receivables	-	-	355,607	355,607	355,607
Accrued income	-	-	114,756	114,756	114,756
Financial assets	-	-	298,688	298,688	298,688
Cash and cash equivalents	-	-	478,312	478,312	478,312
	-	-	1,247,363	1,247,363	1,247,363
Financial liabilities					
Loans and borrowings	-	-	1,019,884	1,019,884	1,019,884
Finance lease liabilities	-	-	293,568	293,568	293,568
Trade and other payables	-	-	140,785	140,785	140,785
Provisions	-	-	102	102	102
	-	-	1,454,339	1,454,339	1,454,339

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

29 Management of financial risks (continued)

The following methods and assumptions were used to estimate fair values:

Fair value of cash and receivables, other current financial assets and liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

Non-current trade receivables and accrued income are measured at amortised cost using the effective interest rate method.

The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Capital management

The Group manages its capital to ensure that entities of the Group will be able to continue as a going concern while maximising the return to the equity holders through maintaining a balance between the higher returns that might be possible with higher levels of borrowings and the security afforded by a sound capital position. The management of the Group reviews the capital structure on a regular basis. Based on the results of this review, the Group takes steps to balance its overall capital structure through the issue of new debt or the redemption of existing debt.

Gearing ratio

The Group's management reviews the capital structure of the Group. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

	31 May 2022	31 May 2021
Debt liabilities*	1,314,492	1,287,422
Cash and cash equivalents	478,312	435,477
Net debt	836,180	851,945
Equity	160,722	101,305
Total capital	996,902	953,250
Gearing ratio	83.9%	89.4%

30 Leases

This note provides information for leases where the Group is a lessee. For right of use assets' carrying value, see note 14.

The Group has lease contracts for various items of properties used in its operations. Leases of property generally have lease terms between 1 and 25 years.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Generally, the Group is not restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements for the year ended 31 May 2022:

	Property	Furniture	Equipment	Vehicles	Total
As at 31 May 2021	275,872	1,700	62	-	277,634
Additions	20,711	(8)	62	31	20,796
Capitalised expenses related to lease	-	-	-	-	-
Depreciation expenses	(25,725)	(155)	(31)	(31)	(26,242)
Disposals	(1,583)	-	-	-	(1,583)
Remeasurement	(4,758)	-	-	-	(4,758)
As at 31 May 2022	264,517	1,237	93	-	265,847

Set out below are the carrying amounts of right-of-use assets recognised and the movements for 18 months ended 31 May 2021:

	Property	Furniture	Equipment	Vehicles	Total
As at 1 December 2019	264,577	2,224	91	-	266,892
Additions	53,183	198	-	-	53,381
Capitalised expenses related to lease	-	-	-	-	-
Depreciation expenses	(41,252)	(690)	(29)	-	(41,971)
Disposals	(636)	(32)	-	-	(668)
Remeasurement	-	-	-	-	-
As at 31 May 2021	275,872	1,700	62	-	277,634

For the year ended 31 May 2022 and 18 months ended 31 May 2021 the line item Disposals presented cost and accumulated depreciation set off due to expiration or early termination of lease agreements.

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**

(in thousand GBP, unless otherwise stated)

30 Leases (continued)

Set out below are the carrying amounts of lease liabilities and the movements for the year ended 31 May 2022:

As at 31 May 2021	292,139
Additions	16,575
Accretion of interest	14,680
Forex on lease liability	5,567
Payments	(35,393)
As at 31 May 2022	293,568
Current lease liabilities	21,608
Non-current lease liabilities	271,960

Set out below are the carrying amounts of lease liabilities and the movements for 18 months ended 31 May 2021:

As at 1 December 2019	266,653
Additions	53,069
Accretion of interest	20,363
Forex on lease liability	(2,424)
Payments	(45,522)
As at 31 May 2021	292,139
Current lease liabilities	19,794
Non-current lease liabilities	272,345

The future minimum lease payments and the present value of net minimum lease payments as of 31 May 2022 and 31 May 2021 were presented as follows:

	Year ended 31 May 2022	18 months ended 31 May 2021
Minimum lease payments:		
Less than 1 year (current portion)	36,468	33,854
Between 1 and 5 years	134,035	128,546
More than 5 years	245,306	257,448
Total minimum lease payments	415,809	419,848
Less the future cost of financing	(122,241)	(127,709)
Total present value of minimum lease payments	293,568	292,139
Less the current portion of the lease liabilities	(21,608)	(19,794)
Total long-term lease liabilities	271,960	272,345

Below are presented additional quantitative and qualitative lease disclosures.

(a) Recognised in profit and loss

The following are the amounts recognised in profit or loss for the year ended 31 May 2022 and 18 months ended 31 May 2021:

	Note	Year ended 31 May 2022	18 months ended 31 May 2021
Included in the cost of sales, administrative or distribution costs:			
Depreciation expense of right-of-use assets	14	27,825	42,639
Expense relating to leases of low-value assets		29	29
Variable lease payments not included in the measurement of lease liabilities		-	-
Included in operating cost			
Forex on lease liability		5,567	(2,424)
Interest expense on lease liabilities	13	14,717	20,363
Total amount recognised in profit or loss		48,138	60,607

b. Other disclosures

The Group had total cash outflows for leases of GBP 35 393 thousand for the year ended 31 May 2022 (GBP 45 522 for the year ended 31 May 2021).

The most of lease contracts of the Group include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor. Management exercises significant judgement in determining whether these extension and termination options will be exercised.

As at 31 May 2022, potential future rental payments of GBP 93 137 (undiscounted) thousand have been included in the lease liability as it is reasonably certain that the leases will be extended (or not terminated).

**Notes to consolidated financial statements of Global University Systems Holding B.V.
for the year ended 31 May 2022**
(in thousand GBP, unless otherwise stated)

31 Contingent assets and liabilities

The Group has made a commitment to issue share option scheme under which options to subscribe for the Group's shares are to be granted to certain executives and senior employees. During the reporting period no transactions under share option scheme were performed. The Management of the Group considers that litigation and claims by third parties are not material and have no impact on the regular economic activity of the Group.

The Group is subject to certain covenants related primarily to its borrowings. Non-compliance with such covenants may result in negative consequences for the Group including increase in the cost of borrowings and declaration of default. In the current period the Group was in compliance with the covenants.

A significant proportion of the Group's business involves the provision of higher education to students in the United Kingdom. The implementation by the United Kingdom of the European Union Principal VAT Directive in domestic legislation, regulations and policy documents, including in respect of operational matters, continues to evolve. The primary legislation and regulations are not always clearly written and are subject to varying interpretations by the tax authority, the tax tribunals and the courts. Instances of inconsistent interpretations are not unusual.

The uncertainty of inconsistent enforcement and application of domestic VAT laws as they apply to the provision of higher education (which is exempt from the scope of VAT in the Principal Directive), creates a risk of additional tax liabilities being assessed by the tax authority. Insofar such assessments are made in respect of historic periods, they can also be subject to a claim for penalties and interest. Whilst it is not possible to reliably estimate the probability or quantum of all such assessments, such claims, if made and sustained, may have a material effect on the Group's financial position, results of operations and cash flows.

As of the date of these financial statements, a dispute exists between a number of Group companies in the UK and the tax authority as to the correct application of the Principal VAT Directive education exemption. In connection with the same dispute, the Group made in the current year payments on account of value added tax and recognised these payments as a long-term tax receivable asset of GBP 8 000 thousand, because it is believed that this amount is more likely than not would be refundable to the Group in the future. Given the possibility of prejudice to the Group's position, it is impractical to disclose the full value of potential future liabilities under the dispute. At the same time, the tax authority has raised a number of assessments in respect of historic periods which are also subject to the dispute. Because the Group's evaluation is that it is more likely than not that such assessment would not become due and payable on the conclusion of the dispute, and as the assessments concern a point of legal principle on the correct application of the primary legislation, do not cover all historic periods and do not take into account the offsetting effect of input tax, it is not possible at present to estimate the quantum (if any) of a contingent liability associated with the same.

At the same time there is a risk that transactions and interpretations that have not been challenged in the past may be challenged by the authorities in the future, although this risk significantly diminishes with passage of time. It is not practical to determine the amount of any potential claims or the likelihood of any unfavourable outcome.

As of 31 May 2022 and 31 May 2021 the Group did not have contractual commitments for the acquisition of fixed tangible and intangible assets.

32 Pledged assets

In connection with loan senior facilities agreement the Group pledged as fixed or floating charges the following assets:

	31 May 2022	31 May 2021
Property, plant and equipment	51,447	55,671
Trade and other receivables	237,843	235,930
Accrued income	114,756	66,435
Prepaid expenses	29,279	18,493
Other financial assets	24,866	24,135
Cash and cash equivalents	427,412	322,240
Cash retained in escrow account	950	888
	886,553	723,792

33 Events after the reporting date

Management of the Group states that after the reporting date there were no other events, for which these consolidated financial statements require adjustments or disclosures.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 May 2022**

(in thousand GBP, unless otherwise stated)

	Year ended 31 May 2022	18 months ended 31 May 2021
Revenue	583,046	730,275
Other income	23,362	30,671
Total income	606,408	760,946
Expenditure:		
Staff costs	(238,848)	(298,068)
Marketing costs	(53,137)	(52,381)
Other operating costs	(176,331)	(234,077)
Total expenditure	(468,316)	(584,526)
EBITDA	138,092	176,420
Depreciation and amortisation	(51,838)	(77,182)
Income (loss) due to changes in value of financial asset at fair value through profit or loss	(80)	-
Exceptional costs: derecognition of assets	(3,553)	(80,455)
Gain from sale of subsidiary	-	4,055
Forex on borrowings	8,001	(8,445)
Finance income	14,250	26,259
Finance costs	(53,123)	(96,622)
PROFIT BEFORE TAX	51,749	(55,970)
Income tax (expenses)/income	2,229	(4,870)
PROFIT FOR THE YEAR	53,978	(60,840)
Non-controlling interest	77	(4)
Profit for the year attributable to parent shareholder	53,901	(60,836)
OTHER COMPREHENSIVE INCOME:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Effect of foreign currency translation	4,405	(9,872)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	4,405	(9,872)
TOTAL OTHER COMPREHENSIVE INCOME	4,405	(9,872)
TOTAL COMPREHENSIVE INCOME	58,383	(70,712)
Non-controlling interest	77	(4)
Total comprehensive income attributable to parent shareholder	58,306	(70,708)
EBITDA	138,092	176,420
Cumulative effect of changes in accounting standards ⁽¹⁾	(498)	(34,708)
EBITDA (constant IFRS)	137,594	141,621
Exceptional and non-recurring items	34,250	67,821
Adjusted EBITDA	171,844	209,442
Proforma adjustment for Trinity and Trebas	-	1,466
Proforma adjusted EBITDA	171,844	210,909

(1) The cumulative effect includes the impact of the implementation of IFRS 9 and IFRS 15 (first implemented in FY19) and IFRS 16 (first implemented in FY20). In accordance with the definitions in the Senior Facilities Agreement, and to be comparable with prior periods, these IFRS adjustments are added back to the Consolidated EBITDA.



To: the shareholders and board of directors of
Global University Systems Holding B.V.

Grant Thornton
Accountants en Adviseurs B.V.
Flemingweg 10
P.O. Box 2259
2400 CG Alphen aan den Rijn
The Netherlands
T 088 - 676 90 00
F 088 - 676 90 10
www.gt.nl

INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the consolidated special purpose financial statements for the year ended May 31, 2022

Audit Opinion

We have audited the accompanying special purpose financial statements for the year ended May 31, 2022 of Global University Systems Holding B.V. based in Amsterdam, as set out on pages 4 to 35. The financial statements include the consolidated financial statements.

In our opinion:

- the accompanying consolidated special purpose financial statements give a true and fair view of the financial position of Global University Systems Holding B.V. as at May 31, 2022, and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- 1 the consolidated statement of financial position as at May 31, 2022;
- 2 the following statements for the year ended May 31, 2022:
the consolidated statement of income, the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for Our Opinion

As mentioned in note 2.2 in the consolidated financial statements, these consolidated financial statements, with our report included, are not intended to be statutory financial statements as prescribed by Dutch law.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the “Our responsibilities for the audit of the financial statements” section of our report.

We are independent of Global University Systems Holding B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor’s report thereon, the annual report contains other information, that consists of:

- the statement of management responsibilities;
- the Group Management Report.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the Group Management Report.

C. Description of responsibilities regarding the financial statements**Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS. Furthermore management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using



the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements .

Our Responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, December 16, 2022

Grant Thornton Accountants en Adviseurs B.V.

M.J.J. Welsink RA