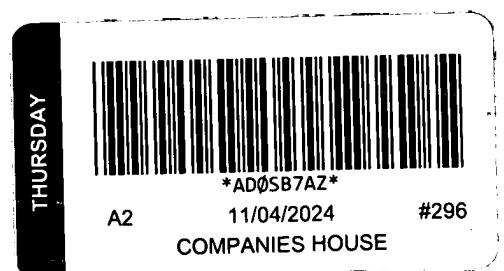


Company registration number 12723686 (England and Wales)

GLOBAL ACADEMIC HOLDINGS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023



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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

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2023

Business review

The principal activity of the Company continued to be that of an investment holding company. As an investment holding company, the main risk and uncertainty surrounds the financial performance of its subsidiary undertaking. The principal activities of its subsidiary are within the higher education sector.

The profit for the year amounted to £694,849,955 (2022: loss of £350,278,493).

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks that may impact the recoverable value of the Company's investment.

From the perspective of the Company, the principal risks and uncertainties are managed with the principal risks of the Group comprising Global University Systems Holding B.V. and its subsidiaries (the "Group") under the supervision of the directors. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided within the Group's annual report for the year ended 31 May 2023, which does not form part of this report. The directors do not anticipate any immediate or substantial variations to the Company's current activities.

Going concern

As set out in note 1.2 to the financial statements, the directors have a reasonable expectation that the Company has access to resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis of KPIs is not necessary for an understanding of the development, performance or position of the business.

Section 172(1) statement

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' statement required under section 414C(11) of The Companies Act 2006. The directors consider that they have, in good faith, promoted the success of the Company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

Long-term decisions

The directors are focused on the long-term success of the Company and make decisions to deliver long-term security and commercial performance. All key decisions are scrutinised by the directors and assessed on the balance of risk, reward, and overall strategy in line with the code of corporate governance.

Employees

The Company has no employees.

GLOBAL ACADEMIC HOLDINGS LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2023 (continued)

Business relationships

The Company has been built on solid relationships with its professional advisers. It is reliant on external suppliers for a small number of key specialist services such as legal, audit and advisory. The Company believes in fair treatment of suppliers who are all paid within the agreed engagement terms.

Community and environment

The Company has limited physical presence and minimal travel is undertaken. The Company seeks to be as efficient and environmentally friendly as it can be, with regular reviews of how this can be improved.

The Group that the Company belongs to contributes to charities and other worthy bodies who provide support in the local community. Separately, the directors dedicate their time and resources to good causes and are encouraged and supported to do so.

Business conduct

The Company is built on impeccable conduct and high business standards. The directors recognise the value in maintaining these values and the reputation which has been built on them. The directors are expected to adhere to these standards which are regularly communicated throughout the Company.

Communication, monitoring, and review are key to the Company maintaining the high ethical standards and conduct expected. Risks to the business are continually monitored and communicated within the Company to promote high business standards.

Interaction between members

The Company acts in the best interests of all its members, ensuring a consistent and impartial approach is taken, aiming for a fair outcome for all. The Company is committed to clear and frequent communication with its members.



Mr Valery Kisilevsky
Director

Date: 6 March 2024

GLOBAL ACADEMIC HOLDINGS LTD

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 May 2023.

Principal activities

The principal activity of the Company continued to be that of an investment holding company. A list of subsidiaries is included in note 12. 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 11.

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

Energy and carbon report

As the Company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption, or energy efficiency activities.

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.

GLOBAL ACADEMIC HOLDINGS LTD

DIRECTORS' REPORT (continued)

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.

On behalf of the board



Mr Valery Kisilevsky
Director

Date: 6 March 2024

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITOR'S 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 2023 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 2023 and of its profit 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 AUDITOR'S 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

GLOBAL ACADEMIC HOLDINGS LTD

INDEPENDENT AUDITOR'S 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 AUDITOR'S 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.



**Joseph Brewer (Senior Statutory Auditor)
For and on behalf of Gravita Audit Limited**

**Chartered Accountants
Statutory Auditor**

Finsgate
5 - 7 Cranwood Street
London
EC1V 9EE

Date: 6 March 2024

GLOBAL ACADEMIC HOLDINGS LTD**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2023**

	Note	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Administrative income/(expenses)	3	694,849,955	(350,278,493)
Operating profit/(loss)		694,849,955	(350,278,493)
Taxation	4	-	-
Profit/(loss) for the year		694,849,955	(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 2023

	Note	As at 31 May 2023 £	As at 31 May 2022 £
Non-current assets			
Investments in subsidiaries	5	346,000,200	346,000,201
Current assets			
Other receivables	6	448,337	1
Current liabilities			
Trade and other payables	7	(1,877,074)	(696,278,694)
Net current liabilities		(1,428,737)	(696,278,693)
Net assets/(liabilities)		344,571,463	(350,278,492)
Equity			
Called up share capital	8	1	1
Retained earnings		344,571,462	(350,278,493)
Total equity		344,571,463	(350,278,492)

The financial statements were approved by the board of directors and authorised for issue on 6 March 2024 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 2023

	Called up share capital £	Retained earnings £	Total £
Balance as at 31 May 2021	<u>1</u>	<u>-</u>	<u>1</u>
Loss for the year	-	(350,278,493)	(350,278,493)
Balance as at 31 May 2022	<u>1</u>	<u>(350,278,493)</u>	<u>(350,278,492)</u>
Profit for the year	-	694,849,955	694,849,955
Balance as at 31 May 2023	<u>1</u>	<u>344,571,462</u>	<u>344,571,463</u>

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 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 11. These accounts therefore present information about the Company and not its group.

1.2 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.

1.3 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.

1.4 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.

A disposal of a subsidiary occurs when the Company no longer controls the entity and the difference between the fair value of consideration received and carrying value is presented as a gain on disposal within administrative income/expenses in the profit and loss account.

1.5 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 2023 (continued)

2 Judgments 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 subsidiary. The directors applied a discounted cash flow approach and determined that no impairment was required.

3 Administrative income/(expenses)

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Legal and professional fees	(539,090)	(377,969)
Audit fees	(14,500)	(8,000)
Other operating expenses	(429,320)	(59,858)
Divisional recharge credited/(incurred)	3,832,566	(3,832,566)
Impairment of investment in subsidiaries	-	(346,000,100)
Reversal of impairment of investment in subsidiaries	346,000,100	-
Gain on disposal of investments in subsidiaries	346,000,199	-
Total administrative income/(expenses)	694,849,955	(350,278,493)

During the year, the impairment of investment in subsidiaries recorded in the prior year was reversed following an impairment review. A group reorganisation was then completed whereby the Company sold the entire share capital of GAH Education Holding Limited to GAH Holdco Ltd for a consideration of £346,000,100, settled by way of offset against the consideration payable to GAH Holdco Ltd of £346,000,100. The Company simultaneously sold the entire share capital of GAH Holdco Ltd to GAH Midco Ltd for a consideration of £346,000,200, settled by way of offset against the consideration payable to GAH Midco Ltd of £346,000,200.

The consideration payable to GAH Midco Ltd and GAH Holdco Ltd of £346,000,200 and £346,000,100 respectively arose in the prior period as a result of the Company's subscription to new shares in those entities.

GLOBAL ACADEMIC HOLDINGS LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023 (continued)
4 Taxation

	Year ended 31 May 2023	Year ended 31 May 2022
	£	£
Current tax:		
UK corporation tax on profit for the year	-	-
Total current tax	-	-
Total tax per income statement	-	-

The charge for the year can be reconciled to the income statement as follows:

	Year ended 31 May 2023	Year ended 31 May 2022
	£	£
Profit/(loss) for the year	694,849,955	(350,278,493)
Tax on profit/(loss) at standard UK tax rate of 20% (2022:19%)	138,969,991	(66,552,914)
<i>Effects of:</i>		
Income/expenses not chargeable/(deductible) for tax purposes	(138,969,991)	66,552,914
Total current tax charge (see above)	-	-

Factors that may affect future current and total tax charges

UK corporation tax rate is calculated at 20% (2022: 19%) of the estimated assessable profit for the year, as the rate was 19% for the period 1 June 2022 to 31 March 2023, and was then revised to 25% from 1 April 2023.

GLOBAL ACADEMIC HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023 (continued)

5 Investments in subsidiaries

	As at 31 May 2023 £	As at 31 May 2022 £
Investments in subsidiaries	<u>346,000,200</u>	<u>346,000,201</u>
		Total £
Cost		
As at 31 May 2021		1
Additions		692,000,300
As at 31 May 2022		692,000,301
Disposals		(346,000,101)
As at 31 May 2023		<u>346,000,200</u>
Impairment		
As at 31 May 2021		-
Charge		346,000,100
As at 31 May 2022		346,000,100
Reversal of impairment		(346,000,100)
As at 31 May 2023		<u>-</u>
Carrying amount		
At 31 May 2022		346,000,201
At 31 May 2023		<u>346,000,200</u>

The name of the Company's directly held subsidiary is given in note 12. Details of the disposal are given in note 3.

6 Other receivables

	As at 31 May 2023 £	As at 31 May 2022 £
Prepayments	448,336	-
Amounts owed by group undertakings	1	1
Total	<u>448,337</u>	<u>1</u>

GLOBAL ACADEMIC HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023 (continued)****7 Trade and other payables**

	As at 31 May 2023 £	As at 31 May 2022 £
Trade payables	382,736	392
Amounts owed to subsidiaries	-	692,000,301
Amounts owed to group undertakings	1,471,838	417,345
Accruals	22,500	3,860,656
Total	1,877,074	696,278,694

8 Called up share capital

	As at 31 May 2023 £	As at 31 May 2022 £
Authorised, issued and not fully paid 10,000 ordinary shares of £0.0001 each	1	1

9 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.

10 Directors and employees

The directors received no remuneration in the year in respect of their qualifying services to the Company (2022: £nil).

There were no employees of the Company during the year (2022: nil).

11 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. The largest group into which the Company is consolidated is Academic Bridge 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.

GLOBAL ACADEMIC HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023 (continued)**

12 Subsidiaries

At 31 May 2023, the Company directly owned the issued share capital of the following company:

Name of undertaking	Registered office	Class of shares held	% Held
GAH Midco Ltd	30 Holborn, Buchanan House, London, England	Ordinary	100%

13 Post balance sheet events

The directors are of the opinion that there were no significant adjusting or non-adjusting events occurring after the reporting date.

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Statement of management responsibilities for preparation and approval of consolidated financial statements for the year ended 31 May 2023

The management of Academic Bridge 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 2023, 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 fraud and other irregularities.

These consolidated financial statements as at 31 May 2023 prepared in compliance with IFRS as adopted by the European Union are approved on behalf of the Group's Management on 20 December 2023.

On behalf of management:

Danilo Krivenko
Managing Director

Amsterdam

Group management report

Financial Results

The trading results for the periods to 31 May 2023 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 ended 31 May 2023 shows a loss (after tax) of GBP 91 807 thousand (including the impact of exceptional costs referred to in note 11 to the financial statements of GBP 10 636 thousand) (2022: GBP 3 553 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 increased by GBP 187 491 thousand (32%) for the 12 months ended 31 May 2023 as compared to the 12 months ended 31 May 2022, and the profit/(loss) on ordinary activities (before tax) has decreased by GBP 114 818 thousand (292%) compared with the 12 months ended 31 May 2022. Excluding the impact of exceptional costs referred to in note 11 to the financial statements, the profit/(loss) on ordinary activities (before tax) has decreased by GBP 107 735 thousand (251%) as compared with the 12 months ended 31 May 2022. Net assets have decreased by GBP 99 304 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 Ukraine, increased 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's 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.

Danilo Krivenko
Managing Director
20 December 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 May 2023
(in thousand GBP, unless otherwise stated)

	Note	Year ended 31 May 2023	Year ended 31 May 2022
Revenue	7	770,537	583,046
Other income	7	34,459	23,360
Total income		804,996	606,406
Expenditure:			
Staff costs	8	(342,477)	(239,975)
Marketing costs	9	(64,619)	(53,214)
Depreciation and amortisation	14, 15	(54,649)	(51,838)
Other operating costs	10	(273,383)	(177,372)
Loss from impairment	11	(62,995)	-
Derecognition of assets	11	(10,636)	(3,553)
Total expenditure		(808,759)	(525,952)
Loss due to changes in value of financial asset at fair value through profit or loss		(325)	(80)
Gain from a bargain purchase	6	18,655	-
Finance income	12	5,036	11,627
Finance costs	13	(80,031)	(60,639)
Forex on borrowings		(15,027)	8,001
PROFIT/(LOSS) BEFORE TAX		(75,455)	39,363
Income tax (expenses)/income	26	(16,352)	2,229
PROFIT/(LOSS) FOR THE YEAR		(91,807)	41,592
Non-controlling interest		(276)	75
Profit/(Loss) for the year attributable to parent shareholder		(91,531)	41,517
OTHER COMPREHENSIVE INCOME/(LOSS):			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Effect of foreign currency translation		(7,496)	4,405
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		(7,496)	4,405
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		(7,496)	4,405
TOTAL COMPREHENSIVE INCOME/(LOSS)		(99,303)	45,997
Non-controlling interest		(276)	75
Total comprehensive income/(loss) attributable to parent shareholder		(99,027)	45,922

Danilo Krivenko
Managing Director

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 May 2023

(in thousand GBP, unless otherwise stated)

ASSETS	Note	31 May 2023	31 May 2022
Non-current assets			
Property, plant and equipment	14	376,151	370,796
Intangible assets	15	85,700	125,379
Goodwill	16	181,747	181,303
Accrued income	20	46,383	45,491
Deposits and guarantees	18	10,462	7,208
Long term taxes receivable	31	8,000	8,000
Loans issued	17	79,057	74,603
Deferred tax assets	26	78,244	80,042
		865,744	892,822
Current assets			
Inventories		34	34
Trade and other receivables	19	348,175	355,609
Prepaid expenses and accrued income	20	121,043	104,455
Other financial assets	17	85,308	84,230
Other taxes receivable	19	13,118	15,926
Cash retained in escrow account	22	4,601	1,003
Cash and cash equivalents	21	494,233	478,783
		1,066,512	1,040,040
TOTAL ASSETS		1,932,256	1,932,862
EQUITY AND LIABILITIES			
Equity			
Share capital	23	-	-
Share premium		9,813	9,813
Retained earnings		(64,835)	26,697
Effect of foreign currency translation		(15,434)	(7,938)
Equity attributable to the parent shareholder		(70,456)	28,572
Non-controlling interest		(2,402)	(2,126)
TOTAL EQUITY		(72,858)	26,446
Non-current liabilities			
Loans and borrowings	24	930,399	956,266
Finance lease liabilities	30	278,966	271,960
Deferred tax liabilities	26	47,088	44,273
		1,256,453	1,272,499
Current liabilities			
Trade and other payables	25	206,081	146,727
Provisions		102	102
Loans and borrowings	24	157,909	130,517
Finance lease liabilities	30	24,691	21,608
Deferred income	7	317,897	281,748
Income tax payable		31,522	33,149
Other taxes payable	25	10,459	20,066
		748,661	633,917
TOTAL LIABILITIES		2,005,114	1,906,416
TOTAL EQUITY AND LIABILITIES		1,932,256	1,932,862

Danilo Krivenko
Managing Director

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 May 2023
(in thousand GBP, unless otherwise stated)

	Equity attributable to the parent shareholder				Non-controlling interest	Total equity
	Share capital	Share Premium	Retained earnings	Effect of foreign currency translation		
31 May 2021	-	9,813	(15,255)	(12,343)	(2,201)	(19,986)
Profit for the year	-	-	41,517	-	75	41,592
Other comprehensive income	-	-	-	4,405	-	4,405
Total comprehensive income	-	-	41,517	4,405	75	45,997
Transfer to Legal Reserve	-	-	(59,735)	-	-	(59,735)
Legal reserve for the development costs	-	-	59,735	-	-	59,735
Other capital movement	-	-	435	-	-	435
31 May 2022	-	9,813	26,697	(7,938)	(2,126)	26,446
Loss for the year	-	-	(91,531)	-	(276)	(91,807)
Other comprehensive loss	-	-	-	(7,496)	-	(7,496)
Total comprehensive loss	-	-	(91,531)	(7,496)	(276)	(99,303)
31 May 2023	-	9,813	(64,834)	(15,434)	(2,402)	(72,857)

Danilo Krivenko
Managing Director

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

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CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 May 2023
(in thousand GBP, unless otherwise stated)

	Note	Year ended 31 May 2023	Year ended 31 May 2022
OPERATING ACTIVITIES			
Profit before tax		(75,455)	39,363
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expenses	14, 15	54,649	51,838
Gain from a bargain purchase	6	(18,655)	-
Finance income	12	(5,036)	(11,627)
Finance costs	13	80,031	60,639
Collection, recovery and bad debt expense	10	25,343	3,904
Loss on derecognition of intangible assets	15	68,036	81
(Gain)/loss on disposal of property, plant and equipment	14	(476)	108
(Gain)/loss on currency exchange rate fluctuations		14,797	(9,147)
		143,234	135,159
Working capital adjustments:			
Change in trade and other receivables		(29,479)	(89,169)
Change in prepaid expenses		(29,340)	(5,289)
Change in inventories		-	-
Change in deposits and guarantees		(3,160)	(78)
Change in other assets		(8,600)	18
Change in trade and other accounts payable		44,131	24,505
Change in accrued income		11,616	(34,565)
Change in deferred income		34,661	116,252
		163,063	146,834
Interest paid (net)		(67,823)	(54,303)
Income tax paid		(13,366)	(19,448)
Net cash flows from operating activities		81,874	73,083
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(25,039)	(12,791)
Purchase of intangible assets		(15,233)	(21,954)
Loans issued to shareholders		(857)	1,959
Loans issued to other parties		4,745	(32,365)
Loans issued repayment and change in deposits		1,592	9,452
Purchase of subsidiaries		(335)	-
Proceeds from sale of property, plant and equipment		9,003	-
Net cash flows from investing activities		(26,124)	(55,699)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		107,681	58,185
Loans transaction costs		(240)	(238)
Repayment of loans and borrowings		(127,516)	(3,613)
Payment of finance lease liabilities		(22,140)	(20,676)
Net cash flows from financing activities		(42,215)	33,658
NET CASH FLOWS		13,535	51,042
Cash and cash equivalents at the beginning of the year		479,786	446,411
Foreign exchange difference		(1,984)	(13,262)
Effect of translation to presentation currency		7,496	(4,405)
Cash and cash equivalents at the end of the year		498,834	479,786

Danilo Krivenko
Managing Director

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

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**Notes to consolidated financial statements of Academic Bridge B.V.
for the year ended 31 May 2023**

(in thousand GBP, unless otherwise stated)

1 General information

Academic Bridge B.V. was incorporated on the 30th of March 2017 and is registered at Passeursgracht 23, 1016 XG 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.

The parent company of the Group is Osprey Investment Limited, it holds 100% (2022: 100%) of the issued share capital in the Academic Bridge B.V.

The ultimate controlling party is The Heritage Trust.

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, FutureLearn 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 levels 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, EQUALS, 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 campus in Dublin.

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 Academic Bridge B.V.
for the year ended 31 May 2023
(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.

FutureLearn provides a myriad of courses in a variety of subjects from renowned partners in the education industry. The programmes include short-term courses, microcredentials and online degrees offered through an in-house developed online platform.

**Notes to consolidated financial statements of Academic Bridge B.V.
for the year ended 31 May 2023**
(in thousand GBP, unless otherwise stated)

1 General information (continued)

	Country of incorporation	Main activity	Group shareholding, %	
			31 May 2023	31 May 2022
Academic Bridge B.V. 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 Group	USA	Educational services	100	100
Global University Systems Capital B.V.	Netherlands	Finance	100	100
Markermeer Finance B.V.	Netherlands	Finance	100	100
Eden Holdings B.V.	Netherlands	Holding company	100	100
Interactive Corporate s.r.o.	Czech Republic	Support services	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
INUNI Marketing Limited	England	Educational services	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	100
Institute of Technology and Innovation iNT Ltd	Israel	Educational services	100	80
BSBI-Berlin School of Business and Innovation GmbH	Germany	Educational services	100	100
Guildford Campus Property Limited	England	Educational services	100	100
Global Academic Holdings Ltd	England	Holding company	100	100
GAHL Services Limited	England	Support 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 Inc.	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
ULAW Hong Kong Limited	Hong Kong	Educational services	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
Gisma Global GmbH	Germany	Educational services	100	100
Inter College Group	Netherlands	Educational services	100	100
Trebas Institute Ontario Inc.	Canada	Educational services	100	100
Trebas Institute Quebec Inc.	Canada	Educational services	100	100
GUS Education BP Solutions, Services Philippines Inc.	Philippines	Support services	100	100
GLS Global Services GmbH	Switzerland	Support services	100	100
GLS Global Services II GmbH	Switzerland	Support services	100	100
GRS Ltd.	Canada	Educational services	100	-
FutureLearn Group	England	Educational services	100	-

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**Notes to consolidated financial statements of Academic Bridge B.V.
for the year ended 31 May 2023**
(in thousand GBP, unless otherwise stated)

1 General information (continued)

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

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, which 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 2023. 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.

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.

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**Notes to consolidated financial statements of Academic Bridge B.V.
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(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 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 thousands 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 2023	Average for the year ended 31 May 2023	31 May 2022	Average for Year ended 31 May 2022
GBP/CAD	1.6840	1.6053	1.6032	1.6961
GBP/SGD	1.6750	1.6422	1.7281	1.8233
GBP/EUR	1.1558	1.1493	1.1745	1.1807
GBP/USD	1.2389	1.2017	1.2644	1.3449
GBP/INR	102.4300	97.5954	97.8778	100.8621
GBP/ILS	4.5963	4.2066	4.2111	4.3319
GBP/PHP	69.7378	67.0774	66.1023	68.2442
GBP/CZK	27.3875	27.7913	29.0183	29.6353
GBP/HKD	9.7033	9.4198	9.9234	10.4900
GBP/AUD	1.8983	1.7790	1.7594	1.8415

(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:

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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 of 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, Note 20.

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 and the country where the investment is located is affected by sanctions.

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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 students' applications, 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.

3.6 Corporate tax provision and tax prepayments

Income tax includes a provision due to changes in accounting reference dates in various subsidiary companies. Any changes between tax estimates and final tax assessments are charged to the statement of comprehensive income 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.

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 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 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 represents 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.

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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	A 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 a situation occurs, the sum of the remissive cost of inventories should be reflected in statement of comprehensive income.

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.

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4.6 Leases

The Group as a lessee

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 the 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, a single incremental borrowing rate was applied to leases with similar economic environments.

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 (or 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.

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 entity.

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 markets. 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.

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4.7 Financial instruments (continued)

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 2023 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 2023 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.

(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 by the financial information about that counterparty available to the Group;
- a counterparty considers entering 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.

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4.7 Financial instruments (continued)

(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 is 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).

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 another company. While considering any relation which can be defined as a related party transaction it is necessary to take into consideration the substance of the transaction not only its legal form.

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**Notes to consolidated financial statements of Academic Bridge B.V.
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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 2022.

- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract
- Amendments to IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities
- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- Amendments to IAS 41 Agriculture – Taxation in fair value measurements
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules – Application of the exception and disclosure of that fact

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 12 – International Tax Reform – Pillar Two Model Rules – other disclosure requirements (effective for annual periods beginning on or after 1 January 2023).

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.

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6 Acquisition of subsidiaries

Acquisition during the 2023 financial year

On 30 November 2022 the Group gained control over FutureLearn Limited and its subsidiaries by obtaining 100% of its shares issued. The acquisition of FutureLearn enhanced the Group's activities in online education based on the embedded acquisition of Edvanza platform from Eden and provides synergies in the area of career advice, through an artificial intelligence career management system. The partnership will also allow FutureLearn to expand its offering to students from developing countries.

On 16 December 2022 the Group gained control over IAMAG Inc by obtaining 100% of its shares issued. IAMAG Inc is an online platform focusing on animation, visual effects and gaming.

On 24 April 2023 the Group gained control over TIME Institute Limited by obtaining 100% of its shares issued. The total amount of consideration is EUR 105 thousand.

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 into the Indian education market.

Company Name	Country of incorporation	Type of activity	Date of acquisition	Group interest, %
FutureLearn Limited	UK	Education	30/11/2022	100.0
IAMAG Inc	USA	Education	16/12/2022	100.0
TIME Institute Limited	Malta	Education	24/04/2023	100.0

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

	FutureLearn Limited and its subsidiaries	IAMAG Inc	TIME Institute Limited	Total
Non-current assets				
Intangible assets	12,182	-	-	12,182
Deposits and guarantees	94	-	-	94
Current assets				
Trade and other receivables	1,281	-	-	1,281
Prepaid expenses	428	-	-	428
Other taxes receivable	-	-	1	1
Loans issued	-	-	1	1
Cash and cash equivalents	10,411	4	0	10,416
Current liabilities				
Trade and other payables	(4,787)	(0)	(4)	(4,791)
Accrued expenses	-	-	(1)	(1)
Other taxes payable	534	-	(0)	534
Borrowings	-	-	(2)	(2)
Deferred income	(1,488)	-	-	(1,488)
Total identifiable net assets at fair value	18,655	4	(5)	18,654
Non-controlling interest	-	-	-	-
Goodwill arising on acquisition	-	242	98	340
Gain from a bargain purchase	(18,655)	-	-	(18,655)
Purchase consideration				
Consideration paid in cash and cash equivalents	0.001	246	93	339
Liability for contingent consideration	-	-	-	-
Total consideration	0	246	93	339
Cash flow on acquisition				
Net cash acquired with the subsidiary	10,411	4	0	10,416
Cash paid	(0)	(246)	(93)	(339)
Net cash inflow (outflow)	10,411	(242)	(93)	10,077

As a result of the acquisition of FutureLearn Limited and its subsidiaries acquisition gain on bargain purchase was recognised. The gain of GBP 18 655 thousand comprises the difference between acquiree's identifiable net assets and purchase consideration.

Acquisitions of IAMAG Inc and TIME Institute Limited resulted in recognition of goodwill in the amounts of GBP 242 thousand and GBP 98 thousand respectively.

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7 Revenue and other income

	Year ended 31 May 2023	Year ended 31 May 2022
Academic programmes	621,722	505,545
Professional training programmes	131,855	35,529
Language programmes	5,310	4,486
Recruitment, retention and online services	30,042	46,913
Scholarship and bursaries	(18,392)	(9,429)
Total revenue	770,537	583,044
Other income	34,459	23,362
	804,996	606,406

The provision of recruitment, retention, and online education services represents student contracts concluded with a third party. The Group operates in various geographical areas. Revenue and other income by location is presented below:

	Year ended 31 May 2023	Year ended 31 May 2022
Europe, Middle East and Africa	433,838	408,075
North America	292,065	134,188
Asia, Australia and Oceania	79,093	64,143
	804,996	606,406

Deferred income

Deferred income represents school fees collected but not earned at year-end. This is recognised as revenue and transferred to the comprehensive income statement when the related service is rendered. Deferred income outstanding as at 31 May 2023 amounted to GBP 317 897 thousand (2022: GBP 281 748 thousand).

8 Staff costs

	Year ended 31 May 2023	Year ended 31 May 2022
Staff costs	(342,477)	(239,975)
The average number of full-time employees, persons	6,104	4,442

9 Marketing costs

	Year ended 31 May 2023	Year ended 31 May 2022
Advertising costs	(43,008)	(39,733)
Online marketing and other marketing expenses	(21,611)	(13,481)
	(64,619)	(53,214)

10 Other operating costs

	Year ended 31 May 2023	Year ended 31 May 2022
Rates and property taxes	(5,394)	(7,155)
Utilities	(3,748)	(2,419)
Cleaning, security, insurance and maintenance	(20,966)	(17,013)
Commission and acquisition costs	(55,896)	(29,032)
Travel costs	(13,900)	(7,831)
Communication costs	(3,697)	(3,441)
Professional services	(32,032)	(24,778)
Materials	(17,102)	(11,783)
Partnership and accreditation fees	(9,043)	(7,587)
Student accommodation	(1,781)	(1,438)
Bank charges	(4,132)	(3,069)
Recruitment costs	(9,876)	(7,209)
Indirect taxation (net)	(9,707)	(6,923)
Collection, recovery and bad debt expense	(25,343)	(3,904)
Software licensing and maintenance	(10,267)	(5,347)
Gain/(loss) on currency exchange rate fluctuations	230	1,146
Other income/(expenses)	(50,728)	(39,589)
	(273,383)	(177,372)

11 Loss from impairment and derecognition of assets

	Year ended 31 May 2023	Year ended 31 May 2022
Impairment of intangible assets	(62,995)	-
Derecognition of accrued income	(10,636)	(3,553)
	(73,631)	(3,553)

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**Notes to consolidated financial statements of Academic Bridge B.V.
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12 Finance income

	Year ended 31 May 2023	Year ended 31 May 2022
Interest income on transactions with related parties (Note 27)	6,250	6,079
Other interest	2,012	2,121
Unwinding of original issue discount	(3,226)	3,427
	<u>5,036</u>	<u>11,627</u>

13 Finance costs

	Year ended 31 May 2023	Year ended 31 May 2022
Finance raising costs	(3,396)	(3,575)
Interest expenses	(61,041)	(42,346)
Finance lease expenses	(15,594)	(14,717)
	<u>(80,032)</u>	<u>(60,639)</u>

Finance raising costs include the costs incurred by the Group in raising debt capital and original issue discount.

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 31 May 2021	319,605	84,029	35,489	28,400	23,754	733	492,010
Additions	16,039	2,202	3,573	4,195	2,725	95	28,830
Disposals	-	(35)	(4,197)	(705)	(975)	(51)	(5,965)
Effect of translation to presentation currency	-	5,742	1,187	1,228	446	78	8,680
as at 31 May 2022	335,644	91,937	36,053	33,118	25,949	855	523,556
Additions	36,886	1,822	10,524	5,963	6,711	19	61,925
Disposals	-	(7,342)	(1,225)	(908)	(315)	(2)	(9,792)
Effect of translation to presentation currency	-	(274)	(634)	(797)	(148)	6	(1,847)
as at 31 May 2023	372,530	86,143	44,718	37,376	32,197	878	573,842
Accumulated depreciation and amortisation							
as at 31 May 2021	(41,971)	(19,601)	(18,430)	(16,301)	(16,462)	(302)	(113,067)
Depreciation for the period	(27,826)	(1,348)	(6,452)	(4,824)	(2,324)	(161)	(42,934)
Disposals	-	-	4,141	704	961	51	5,856
Effect of translation to presentation currency	-	(964)	(619)	(716)	(277)	(39)	(2,615)
as at 31 May 2022	(69,797)	(21,913)	(21,360)	(21,138)	(18,101)	(452)	(152,760)
Depreciation for the period	(30,501)	(1,734)	(7,475)	(4,384)	(3,362)	(310)	(47,766)
Disposals	-	640	331	239	55	-	1,265
Effect of translation to presentation currency	-	99	510	790	166	5	1,570
as at 31 May 2023	(100,298)	(22,908)	(27,994)	(24,493)	(21,242)	(757)	(197,691)
Net book value							
as at 31 May 2022	265,848	70,025	14,693	11,980	7,848	403	370,796
as at 31 May 2023	272,233	63,236	16,724	12,883	10,955	121	376,151

The Group's property, plant and equipment with carrying value of GBP 52 541 thousand were pledged as collateral as at 31 May 2023 (2022: GBP 51 447 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 2023 is GBP 23 468 thousand (2022: GBP 23 468 thousand).

As at 31 May 2023 and 31 May 2022, 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.

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15 Intangible assets

	Develop- ment costs	Brand	Customer relation-ships	Course materials	Websites	Software	Total
Cost							
as at 31 May 2021	40,833	44,728	12,357	5,208	7,047	58,221	168,395
Additions	18,902	6	-	319	283	2,445	21,954
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	59,735	45,090	45,090	5,536	5,330	60,804	189,917
Additions	8,491	-	-	3,095	2,799	9,339	23,724
Acquisition of a new subsidiary	-	11,231	-	1,695	-	-	12,926
Disposals	-	-	-	(950)	-	(4,623)	(5,573)
Transfers	(5,231)	-	-	-	-	5,231	-
Effect of translation to presentation currency	-	(332)	(1,052)	(14)	(14)	(210)	(1,622)
as at 31 May 2023	62,995	55,989	44,038	9,362	8,115	70,541	219,373
Accumulated depreciation and amortisation							
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	-	0	(565)	(7)	(2)	(147)	(722)
as at 31 May 2022	-	(13)	45,090	(3,426)	(612)	(53,034)	(64,538)
Amortisation for the period	-	-	(964)	(841)	(365)	(4,713)	(6,883)
Acquisition of a new subsidiary	-	-	-	(744)	-	-	(744)
Disposals	-	-	-	157	-	375	532
Impairment	(62,995)	-	-	-	-	-	(62,995)
Effect of translation to presentation currency	-	-	753	9	8	186	956
as at 31 May 2023	(62,995)	(13)	44,879	(4,845)	(969)	(57,186)	(133,672)
Net book value							
as at 31 May 2022	59,735	45,077	90,180	2,110	4,718	7,770	125,379
as at 31 May 2023	-	55,976	88,917	4,517	7,146	13,355	85,700

The gross carrying amount of fully depreciated intangible assets as at 31 May 2023 is GBP 42 515 thousand (2022: GBP 9 448 thousand).
As at 31 May 2023 the carrying value of the development costs amounts to GBP nil (2022: 59 735 GBP).

16 Goodwill

The net carrying amount of goodwill at 31 May 2023 is GBP 181 747 thousand (31 May 2022: GBP 181 303 thousand).

The Group performs its annual impairment test as at 31 May. As at 31 May 2023 and 31 May 2022 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 at 31 May 2023 are 2% (2022: 2%) for R3 Education Inc., 2% (2022: 2%) for InterCollege Amsterdam, 2% (2022: 2%) for University of Law, 1,8% (2022: 1,8%) for Arden and LCCM AU UK Limited, 1,8% (2022: 1,8%) for I.B.A.T., 3% (2022: 3%) for Institute of Technology and Innovation Ltd and 3% (2022: 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 2023 were 10,4% (2022: 9,2%) for Arden, 8,3% (2022: 8,3%) for LCCM AU UK Limited, 8,8% (2022: 8,8%) for I.B.A.T. Limited, 14,1% (2022: 14,1%) for Institute of Technology and Innovation Ltd, 13% (2022: 13,2%) for India Group, 12,6% (2022: 12,1%) for R3 Education Inc., 10,4% (2022: 9,2%) for InterCollege Amsterdam and 10,4% (2022: 9,2%) for University of Law.

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17 Loans issued and other financial assets

	31 May 2023	31 May 2022
Non-current financial assets		
Long-term loans issued to related parties (Note 27)	79,057	74,603
Current financial assets		
Loans issued	83,830	88,575
Loans issued to related parties (Note 27)	12,451	10,487
Guaranteed investment certificates	3,869	-
Allowance on expected credit losses for loans issued	(14,842)	(14,830)
	85,308	84,231
	164,365	158,834

The Group's current financial assets amounting to GBP 116 672 thousand were pledged as collateral as at 31 May 2023 (2022: GBP 109 956 thousand) (Note 32).

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

18 Deposits and guarantees

	31 May 2023	31 May 2022
Rent deposits	10,462	7,208
	10,462	7,208

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

19 Trade and other receivables

	31 May 2023	31 May 2022
Trade receivables	402,008	391,893
Other receivables	4,385	4,029
Allowance for expected credit losses	(58,218)	(40,313)
	348,175	355,609
	348,175	355,609

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 2023.

	31 May 2023		
	Gross carrying amount	Expected loss rate	Expected credit losses
Not past due	248,902	3.64%	(9,058)
Past due 1-30 days	61,294	2.57%	(1,577)
Past due 31-90 days	26,069	6.09%	(1,588)
Past due 91-180 days	16,663	15.30%	(2,550)
Past due 181-270 days	10,562	30.75%	(3,248)
Past due 271-360 days	8,068	66.46%	(5,362)
Past due over 360 days	34,835	100.00%	(34,835)
	406,393		(58,218)

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19 Trade and other receivables (continued)

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	236,438	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	8,593	72.17%	(6,203)
Past due over 360 days	24,870	100.00%	(24,870)
	395,924		(40,315)

The Group's trade receivables of GBP 234 047 were pledged as collateral as at 31 May 2023 (GBP 237 843 as at 31 May 2022).

Other taxes receivable

Other taxes receivable of GBP 13 118 thousand (2022: GBP 15 926 thousand) comprised mostly value-added tax or other similar indirect sales taxes credits.

20 Prepaid expenses and accrued income

	31 May 2023	31 May 2022
Non-current accrued income		
Accrued income	46,383	45,491
Prepaid expenses and current accrued income		
Prepayments	64,958	35,190
Accrued income	56,085	69,265
	121,043	104,455
	167,426	149,946

The Group's prepaid expenses and accrued income amounting to GBP 130 867 thousand were pledged as collateral as at 31 May 2023 (31 May 2022 prepaid expenses and accrued income amounting to GBP 144 035 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 2023, 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 10 636 thousand (Year ended 31 May 2022: GBP 3 553 thousand) (Note 11).

21 Cash and cash equivalents

	31 May 2023	31 May 2022
Cash in bank in GBP	263,584	262,003
Cash in bank in USD	125,805	157,330
Cash in bank in EUR	16,574	16,858
Cash in bank in CAD	60,261	37,953
Cash in bank in SGD	1,381	106
Cash in bank in ILS	(27)	148
Cash in bank in CZK	14	21
Cash in bank in PHP	40	81
Cash in bank in INR	1,403	173
Cash in bank in AUD	50	-
Short-term deposits	20,605	297
Cash in transit	3,182	2,451
Cash in hand	1,360	1,362
	494,233	478,783

Cash in bank is not impaired.

The Group's cash and cash equivalents of GBP 439 538 thousand were pledged as collateral as at 31 May 2023 (2022: GBP 427 412 thousand) (Note 32).

22 Cash retained at escrow account

Cash retained at escrow account as at 31 May 2023 is represented by cash at escrow amounting to GBP 4 532 thousand, equivalent USD 5 615 thousand, retained for R3 Education Inc purposes (2022: GBP 950 thousand, equivalent USD 1 201 thousand), GBP 57 thousand, equivalent of EUR 47 thousand as at 31 May 2023 (2022: GBP 42 thousand, equivalent EUR 47 thousand) and GBP 12 thousand, equivalent of INR 1 210 thousand as at 31 May 2023 (2022: GBP 12 thousand, equivalent INR 1 152 thousand).

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23 Equity

Share capital of Academic Bridge B.V. amounts to GBP 0.88 (EUR 1.00) and comprises one class of common shares with nominal value of 1 EUR per share.

As of the date of these financial statements and for the years ended 31 May 2023 and 31 May 2022 dividend payments were subject to certain restrictions applicable from time to time in accordance with the terms of the Group's Senior Facilities Agreement dated 30 January 2020.

24 Loans and borrowings

	31 May 2023	31 May 2022
Non-current loans and borrowings		
Long-term loans	932,358	958,621
Long-term loans transaction costs	(1,959)	(2,355)
	930,399	956,266
Current loans and borrowings		
Short-term loans	79,000	79,000
Loans transaction costs	(955)	(2,330)
Interest on borrowings	2,820	1,713
Short-term loans from related parties (Note 27)	34,775	3,000
Overdrafts and other loans	42,268	49,134
	157,908	130,517

On 30 January 2020, the entire term loan facility was refinanced with a single tranche, 1 billion EUR facility maturing 2027. The refinancing extended loan maturity, reduced the margin payable and provided a distribution of 73 million EUR to the parent company.

25 Trade and other payables

	31 May 2023	31 May 2022
Trade payables	92,058	81,419
Accruals	86,188	48,671
Payables for wages and salaries	7,443	5,224
Payables for unused vacations	341	341
Other payables	20,051	11,071
	206,081	146,727

Other taxes payable

Other taxes payable of GBP 10 459 thousand (2022: GBP 20 066 thousand) comprised mostly liabilities for value-added tax or other similar indirect sales taxes.

26 Corporate tax

Income tax includes a provision due to changes in accounting reference dates in various subsidiary companies. Any changes between tax estimates and final tax assessments are charged to the statement of comprehensive income 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 25% was used (effective from April 2023, the rate up to and including March 2023 was 19%).

	Year ended 31 May 2023	Year ended 31 May 2022
Corporation tax in respect of the current year	12,138	13,086
Total current tax	12,138	13,086
Deferred tax		
Origination and reversal of timing differences	4,214	(15,315)
Total deferred tax	4,214	(15,315)
Income tax expenses/(income)	16,352	(2,229)
	Year ended 31 May 2023	Year ended 31 May 2022
Profit/(Loss) before tax from continuing operations	(75,455)	39,363
Tax on ordinary activity using the UK headline corporation tax rate (25%)	(18,864)	7,479
Effects of:		
Effect of tax rate in foreign jurisdictions and items which are not assessable and deductible for taxation purposes	35,215	(9,708)
Tax charge/(benefit) in the income statement	16,352	(2,229)
Effective tax rate	-	-

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**Notes to consolidated financial statements of Academic Bridge B.V.
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26 Corporate tax (continued)

Movements in temporary differences during the year ended 31 May 2023 and Year ended 31 May 2022 are as follows:

	31 May 2023				31 May 2022	
	Deferred tax asset	Deferred tax liability	Recognised in profit and losses	Translation difference	Deferred tax asset	Deferred tax liability
Finance lease liabilities	55,110	-	461	-	54,649	-
Property, plant and equipment	1,585	(49,161)	(369)	-	1,380	(47,528)
Trade and other receivables	14,378	-	3,147	-	10,209	-
Intangible assets	-	(2,522)	953	-	-	(3,644)
Tax losses carried forward	-	4,594	(933)	-	-	5,527
Trade and other payables	3,856	-	(7,508)	-	10,594	1,304
Other financial assets	3,315	-	35	-	3,210	68
Net deferred tax asset (liability)	78,244	(47,089)	(4,214)	-	80,042	(44,273)

	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	54,649	-	2,965	-	51,684	-
Property, plant and equipment	1,380	(47,528)	2,413	-	-	(48,561)
Trade and other receivables	10,209	-	3,282	-	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	3,210	68	508	-	2,772	-
Net deferred tax asset (liability)	80,042	(44,273)	15,315	-	69,812	(49,357)

27 Related party transactions

According to existing criteria of determination of related parties, the related parties of the Group are presented by categories.

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 2023	31 May 2022
Outstanding balances with related parties			
Shareholder loan payables	24	3,000	3,000
Loans received from related parties	24	31,775	-
Loans issued to other related parties	17	12,451	10,486
Long-term loans issued to shareholder	17	62,045	61,187
Interest accrued on loans issued to shareholder	17	17,012	13,416
Transactions with related parties			
Interest income on transactions with related parties	12	6,250	6,079
Remuneration of key management personnel			
		Year ended 31 May 2023	Year ended 31 May 2022
Wages and salaries		21,338	18,036
		21,338	18,036
The average number of key management personnel, persons		130	79

**Notes to consolidated financial statements of Academic Bridge B.V.
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28 Reconciliation of liabilities arising from financing activities

The tables below detail the changes in the Group's liabilities arising from financial activities, including both cash and non-cash changes for the periods ended 31 May 2023 and 31 May 2022. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's cash flow statement as cash flows from financing activities.

	Year ended 31 May 2022	Cash flows from financing activity	Interest accrued and derecognition of finance raising costs	Forex	Other changes*	Year ended 31 May 2023
Loans and borrowings	1,086,783	(72,302)	61,040	10,737	2,050	1,088,308
Finance lease liabilities	293,568	(37,736)	15,581	(4,639)	36,883	303,657
	1,380,351	(110,038)	76,621	6,098	38,933	1,391,965

	Year 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	1,036,475	14,747	42,348	(9,401)	2,614	1,086,783
Finance lease liabilities	292,139	(35,393)	14,680	5,567	16,575	293,568
	1,328,614	(20,646)	57,028	(3,834)	19,189	1,380,351

* Other changes for loans and borrowings comprised loans transaction costs amortisation amounting to GBP 2 050 thousand (2022: GBP 2 614 thousand).

* Other changes for financial lease liabilities for the year ended 31 May 2023 were presented by recognition of Right of use asset of GBP 30 299 thousand and changes in low-value leases of 6 584 thousand. Other changes for financial lease liabilities for the year ended 31 May 2022 were presented by recognition of Right of use asset of GBP 15 390 thousand and changes in low-value leases of GBP 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.

As at 31 May 2023, 23.3% of the Group's accrued income and receivables was accounted for by five major contracts (2022: 20.8%, 2021: 24.2%). 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 2023	31 May 2022
Loans issued and other financial assets	175,338	173,663
Accrued income	102,468	114,756
Trade and other receivables	348,175	355,609
Cash and cash equivalents	494,233	478,783
	1,120,214	1,122,811

**Notes to consolidated financial statements of Academic Bridge B.V.
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29 Management of financial risks (continued)

Distribution of financial assets by maturities is as follows:

	31 May 2023	31 May 2022
Loans issued and short-term deposits		
Undue	195,943	173,960
Past due	-	-
Trade and other receivables		
Undue	239,845	234,513
Past due	108,331	121,096
	544,118	529,569

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 31 May 2021	(29,908)	(14,184)	(44,092)
Change due to movement for the period	(16,577)	(62)	(16,639)
Changes in models/risk parameters	5,796	(567)	5,229
Foreign exchange and other movements	374	-	374
Expected credit loss as at 31 May 2022	(40,315)	(14,813)	(55,128)
Change due to movement for the period	(11,300)	(45)	(11,345)
Changes in models/risk parameters	(6,611)	-	(6,611)
Foreign exchange and other movements	8	33	41
Expected credit loss as at 31 May 2023	(58,218)	(14,825)	(73,043)

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, and monitors the expected cash flows from operating activities.

Distribution of financial liabilities by maturities is as follows:

	within 30 days	from 30 to 60 days	from 60 to 90 days	more than 90 days	Total
as at 31 May 2023					
Trade payables	86,819	1,416	984	2,839	92,058
Loans and borrowings	397	510	2,080	1,243,717	1,246,704
Finance lease liabilities	6,155	2,731	2,658	292,113	303,657
Other payables	378	-	-	19,674	20,051
	93,749	4,657	5,722	1,558,343	1,662,470

	within 30 days	from 30 to 60 days	from 60 to 90 days	more than 90 days	Total
as at 31 May 2022					
Trade payables	74,474	2,084	786	4,075	81,419
Loans and borrowings	323	321	1,920	1,196,986	1,199,551
Finance lease liabilities	4,726	621	504	287,717	293,568
Other payables	-	-	-	11,071	11,071
	79,524	3,026	3,210	1,499,850	1,585,609

**Notes to consolidated financial statements of Academic Bridge B.V.
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29 Management of financial risks (continued)

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 changes 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.

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
	2023	2022		2023	2022
Cash and cash equivalents	125,805	157,330	10	12,581	15,733
			-10	(12,581)	(15,733)
Accrued income	84,482	94,265	10	8,448	9,426
			-10	(8,448)	(9,426)
Total effect of change in exchange rate	210,287	251,595	10	21,029	25,159
			-10	(21,029)	(25,159)

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
	2023	2022		2023	2022
Cash and cash equivalents	16,574	16,858	10	1,657	1,686
			-10	(1,657)	(1,686)
Accrued income	1,159	1,390	10	116	139
			-10	(116)	(139)
Long-term loans	(823,947)	(849,814)	10	(82,395)	(84,981)
			-10	82,395	84,981
Total effect of change in exchange rate	(806,214)	(836,843)	10	(80,622)	(83,156)
			-10	80,622	83,156

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 2023:

	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Financial assets					
Trade and other receivables	-	-	348,175	348,175	348,175
Accrued income	-	-	102,468	102,468	102,468
Financial assets	-	-	160,496	160,496	175,338
Cash and cash equivalents	-	-	494,233	494,233	494,233
	-	-	1,105,372	1,105,372	1,120,214
Financial liabilities					
Loans and borrowings	-	-	1,088,308	1,088,308	1,088,308
Finance lease liabilities	-	-	303,657	303,657	303,657
Trade and other payables	-	-	198,638	198,638	198,638
	-	-	1,590,603	1,590,603	1,590,603

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**Notes to consolidated financial statements of Academic Bridge B.V.
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29 Management of financial risks (continued)

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	-	-	355,609	355,609	355,609
Accrued income	-	-	114,756	114,756	114,756
Financial assets	-	-	158,833	158,833	173,663
Cash and cash equivalents	-	-	478,783	478,783	478,783
	<u>-</u>	<u>-</u>	<u>1,107,981</u>	<u>1,107,981</u>	<u>1,122,811</u>
Financial liabilities					
Loans and borrowings	-	-	1,086,783	1,086,783	1,086,783
Finance lease liabilities	-	-	293,568	293,568	293,568
Trade and other payables	-	-	141,502	141,502	141,502
	<u>-</u>	<u>-</u>	<u>1,521,853</u>	<u>1,521,853</u>	<u>1,521,853</u>

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 2023	31 May 2022
Debt liabilities	1,391,104	1,381,000
Cash and cash equivalents	494,233	478,783
Net debt	896,871	902,217
Equity	(70,456)	28,571
Total capital	826,415	930,788
Gearing ratio	108.5%	96.9%

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 often may not be used as security for borrowing purposes.

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

The table below describes the nature of the leasing activities by type of right-of-use asset as of 31 May 2023:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Office building	107	0-23 years	12 years	37	0	0	0
Land	1	0-16 years	8 years	0	0	0	0
IT equipment	9	0-8 years	4 years	2	1	0	0

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30 Leases (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements for the year ended 31 May 2023:

	Property	Furniture	Equipment	Vehicles	Total
As at 31 May 2022	264,517	1,237	93	-	265,847
Additions	35,892	-	-	-	35,892
Depreciation expenses	(29,783)	(456)	(24)	-	(30,263)
Disposals	(238)	-	-	-	(238)
Remeasurement	994	-	-	-	994
As at 31 May 2023	271,382	781	69	-	272,232

Set out below are the carrying amounts of right-of-use assets recognised and the movements for 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
Depreciation expenses	(25,725)	(455)	(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

For the year ended 31 May 2023 and Year ended 31 May 2022 the line item Disposals presented cost and accumulated depreciation set off due to expiration or early termination of lease agreements.

Set out below are the carrying amounts of lease liabilities and the movements for the year ended 31 May 2023:

As at 31 May 2022	293,568
Additions	36,883
Accretion of interest	15,581
Forex on lease liability	(4,639)
Payments	(37,736)
As at 31 May 2023	303,657
Current lease liabilities	24,691
Non-current lease liabilities	278,966

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

As at 31 May 2021	292,139
Additions	16,572
Accretion of interest	14,680
Forex on lease liability	5,569
Payments	(35,393)
As at 31 May 2022	293,568
Current lease liabilities	21,608
Non-current lease liabilities	271,960

The future minimum lease payments and the present value of net minimum lease payments as of 31 May 2023 were presented as follows:

	Year ended 31 May 2023	Year ended 31 May 2022
Minimum lease payments:		
Less than 1 year (current portion)	44,281	36,469
Between 1 and 5 years	142,757	134,035
More than 5 years	231,630	245,305
Total minimum lease payments	418,668	415,809
Future cost of financing:		
Less than 1 year (current portion)	(14,684)	(14,353)
Between 1 and 5 years	(46,609)	(46,685)
More than 5 years	(53,718)	(61,202)
Total future cost of financing	(115,011)	(122,241)
Total present value of minimum lease payments	303,657	293,568
Less the current portion of the lease liabilities	(24,691)	(21,608)
Total long-term lease liabilities	278,966	271,960

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30 Leases (continued)

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:

	Note	Year ended 31 May 2023	Year ended 31 May 2022
Included in expenditure			
Depreciation expense of right-of-use assets	14	30,501	27,826
Expense relating to leases of low-value assets		29	29
Variable lease payments not included in the measurement of lease liabilities		-	-
Included in operating and finance costs			
Forex on lease liability		(4,639)	5,569
Interest expense on lease liabilities	13	15,594	14,717
Total amount recognised in profit or loss		41,485	48,141

(b) Other disclosures

The Group had total cash outflows for leases of GBP 37 736 thousand for the year ended 31 May 2023 (GBP 35 393 for the year ended 31 May 2022).

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 2023, potential future rental payments of GBP 88 555 thousand (undiscounted) have been included in the lease liability as it is reasonably certain that the leases will be extended (or not terminated).

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 an 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 payments on account of value-added tax in the prior years 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 the 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 2023 and 31 May 2022 the Group did not have contractual commitments for the acquisition of fixed tangible and intangible assets.

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32 Pledged assets

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

	31 May 2023	31 May 2022
Property, plant and equipment	52,541	51,447
Trade and other receivables	234,047	237,843
Accrued income	102,468	114,756
Prepaid expenses	28,399	29,279
Other financial assets	116,672	109,956
Cash and cash equivalents	439,538	427,412
Cash retained in escrow account	4,546	950
	978,211	971,642

33 Events after the reporting date

In July 2023, the Group sold GBP 30 854 thousand of trade receivables to the third parties for a consideration representing a discount of 5%.

On 26 June 2023 the Group disposed of its entire stake in Dignity Health Global Education Limited ("DHGE"). The Group's shareholding in DHGE prior to the disposal was 39.95%. The results of DHGE were not consolidated in these consolidated financial statements.

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.

Academic Bridge B.V.

Company Financial Statements

for the year ended 31 May 2023

Amsterdam 2023

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Group management report

Financial Results

The trading results for the periods to 31 May 2023 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 ended 31 May 2023 shows a loss (after tax) of GBP (98,899) thousand (2022: GBP 45,826 thousand).

Principal Activities of the Group

The Group is an international group of educational businesses, including holdings in postsecondary teaching institutions, an online division, a services and technology division, an international student recruitment network, a language training divisions and a number of executive education and corporate training solutions. Our mission is to empower students to transform their lives and their communities for the better by delivering career-enhancing qualifications and industry relevant skills.

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.

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 competition; reputational risks; regulatory risks; liquidity and cash flow, and credit risks.

While the company'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.

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.

Distribution of board members

The board of directors constitution was as follows - men: 1, women: 0. The management is aware of the requirement set forth in article 2:276 of the Dutch Civil Code and, notwithstanding the board consists of one person, intends to achieve the goal of more balanced distribution in the next periods.

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.

Sustainability and Environmental 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.

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.

Danilo Krivenko
Managing Director

Wednesday, December 20, 2023

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COMPANY BALANCE SHEET (AFTER APPROPRIATION OF RESULT)

AS AT 31 MAY 2023

(in thousands of GBP, unless otherwise stated)

ASSETS	Note	31 May 2023	31 May 2022
Non-current assets			
Financial fixed assets	4	31,600	119,792
		31,600	119,792
Current assets			
Loans receivable	5	224,454	191,644
Cash and cash equivalents	6	9	122
Other assets		12	-
		224,475	191,766
TOTAL ASSETS		256,075	311,558
EQUITY AND LIABILITIES			
Equity			
Share capital	7	-	-
Share premium	8	9,813	9,813
Legal reserve for the development costs		59,735	59,735
Retained earnings		(139,982)	(41,083)
		(70,434)	28,465
Non-current liabilities			
Loans and borrowings	9	209,670	200,021
		209,670	200,021
Current liabilities			
Loans and borrowings	10	116,768	83,011
Other liabilities		71	61
		116,839	83,072
TOTAL LIABILITIES		326,509	283,093
TOTAL EQUITY AND LIABILITIES		256,075	311,558

Notes on pages 5 to 9 are an integral part of these company financial statements.

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COMPANY PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2023
(in thousands of GBP, unless otherwise stated)

	Note	Year ended 31 May 2023	Year ended 31 May 2022
Profit/(loss) of participation interests after taxation	4	(88,191)	53,185
General and administrative expenses		(935)	(1,916)
Operating result		(89,126)	51,269
Financial income/(expenses)			
Interest income		9,544	8,554
Interest expenses		(19,317)	(13,997)
		(9,773)	(5,443)
NET RESULT		(98,899)	45,826

Notes on pages 5 to 9 are an integral part of these company financial statements.

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**NOTES TO COMPANY FINANCIAL STATEMENTS OF ACADEMIC BRIDGE B.V.
FOR THE YEAR ENDED 31 MAY 2023**

(in thousands of GBP, unless otherwise stated)

1 Cash flow statement

In accordance with 360.104 of the Dutch accounting standards, no cash flow statement has been prepared. The cash flow statement is included in the consolidated financial statements of Academic Bridge B.V. which are filed in the Chamber of Commerce in The Netherlands.

2 General information

Academic Bridge B.V. was incorporated on 30th March 2017 and is registered at Passeursgracht 23, 1016 XG Amsterdam, The Netherlands. The Company registration KvK number is 684 38 117. The company acts as a holding company for a number of entities operating in educational area.

The company financial statements are prepared in accordance with Title 9 of Book 2 of the Netherlands Civil Code. The Company uses the option provided in section 2:362 (8) of the Netherlands Civil Code in that principles for the recognition and measurement of assets and liabilities and determination of result (hereinafter referred to as principles for the recognition and measurement) as applied in the consolidated financial statements are also applied in the company financial statements. Reference is made to the notes to the consolidation of principles for recognition and measurement. Investments in group companies are carried at net asset value, calculated to the group accounting policies.

3 Summary of principal accounting policies

Investments in subsidiaries

Companies over which the Company is able to exercise control or which the Company effectively manages are stated at net asset value determined by measuring the assets, provisions and liabilities and results according to the policies applied in preparing the consolidated financial statements.

Loans and borrowings

The Group's financial liabilities include trade and other payables, loans and borrowings.

Shareholder borrowings

In the normal course of business the Group receives 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.

Trade and Other Receivables

Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for impairment of estimated irrecoverable amounts. Receivables with fixed maturities due in more than a year are measured at amortized cost using the effective interest rate method.

Tax

Corporate income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the Netherlands at the applicable rate on taxable income for the financial year other than results from participating interests in group companies.

Going concern

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

**NOTES TO COMPANY FINANCIAL STATEMENTS OF ACADEMIC BRIDGE B.V.
FOR THE YEAR ENDED 31 MAY 2023**

(in thousands of GBP, unless otherwise stated)

4 Financial fixed assets

The financial fixed assets consist of:

	31 May 2023	31 May 2022
Participating interests in group companies	31,600	119,792
	31,600	119,792

The movements in participating interests in group companies are as follows:

	31 May 2023
Group companies as at 31 May 2021	66,607
Result for the year ended 31 May 2022	48,780
Other comprehensive income	4,405
Group companies as at 31 May 2022	119,792
Result for the year ended 31 May 2023	(80,696)
Other comprehensive income	(7,496)
Group companies as at 31 May 2023	31,600

The degree of control exercised by Academic Bridge B.V. over its subsidiaries, Global University Systems Holding B.V. and Eden Holding B.V., both domiciled in Amsterdam, the Netherlands, is as at 31 May 2023 - 100%.

5 Loans receivable

	31 May 2023	31 May 2022
Loans issued to shareholder	79,057	74,603
Loans issued to related parties	91,404	57,982
Loans issued to third parties	53,993	59,059
	224,454	191,644

The principal amount of current loans issued to shareholder amounts to GBP 62,045 thousand (2022: GBP 61,187 thousand) and outstanding interest accrued totalling to GBP 17,012 thousand (2022: GBP 13,416 thousand).

Current loans issued to related parties are represented by loans with principal amount totalling to GBP 80,245 thousand (2022: GBP 49,746 thousand) and outstanding interest accrued totalling to GBP 11,159 thousand (2022: GBP 8,236 thousand). Loans is payable on demand, interest rate for loans is 5.65%.

6 Cash and cash equivalents

As at 31 May 2023 amount of cash is GBP 9 thousand (2022: GBP 122 thousand). There is no restricted cash.

**NOTES TO COMPANY FINANCIAL STATEMENTS OF ACADEMIC BRIDGE B.V.
FOR THE YEAR ENDED 31 MAY 2023**

(in thousands of GBP, unless otherwise stated)

7 Share capital

	31 May 2023
Authorised share capital	1
Unpaid share capital	-
	<u>1</u>

Share capital of Academic Bridge B.V. amounts to GBP 1.00 (EUR 1.00) and comprises one class of common shares with nominal value EUR 1.00 per share. The number of authorised shares is 1 share.

For the movement schedule of issued capital, share premium, foreign currency translation reserves and other movements in the shareholders' equity please refer to the specification of the Consolidated statement of changes in equity included in the Consolidated financial statements.

The board of directors proposes to add the profit to the general reserves. The proposal is reflected in the financial statements.

8 Share premium

Share premium consists of:

	31 May 2023	31 May 2022
Share premium at the beginning of the year	9,813	9,813
Share premium at the year end	<u>9,813</u>	<u>9,813</u>

9 Non-current loans and borrowings

	31 May 2023	31 May 2022
Loans received from related parties	167,779	166,954
Interest on loan received from related parties	41,891	33,067
	<u>209,670</u>	<u>200,021</u>

Loans received from related parties are payable on demand and bear interest at the rate of 5.2%.

10 Current loans and borrowings

The current loans and borrowings consist of:

	31 May 2023	31 May 2022
Short-term bank loans	79,000	79,000
Loans received from shareholder	31,775	-
Loans transaction costs	(955)	(2,330)
Interest on borrowings	429	398
Current account shareholder	3,000	3,000
Loans with related parties	3,518	2,943
	<u>116,768</u>	<u>83,011</u>

Short-term bank loans bear average interest of 8.2%. The loans received from shareholder and current account shareholder bear no interest.

11 Employees

The Company has no employees other than directors.

**NOTES TO COMPANY FINANCIAL STATEMENTS OF ACADEMIC BRIDGE B.V.
FOR THE YEAR ENDED 31 MAY 2023**

(in thousands of GBP, unless otherwise stated)

12 Directors

During the year the Company was managed by the board of directors and comprised:

Name	Position
D. Krivenko	Managing Director

Directors' remuneration amounting to GBP 0 thousand (nil) for the year 2023 (2022: GBP 0 thousand).

13 Audit fee

Fees paid to the Group's audit for the financial years can be broken down as follows:

	Year ended 31 May 2023	Year ended 31 May 2022
Audit fees	30	59
	30	59

The audit fees are based on the fees that are attributable to the audit of the respective fiscal years. The audit fees include the fees of the Group auditor Grant Thornton Accountants en Adviseurs B.V.

14 Pledged assets

In connection with Holdco Facility Agreement the company' pledged as fixed or floating charges the following assets:

	31 May 2023	31 May 2022
Loans issued to related parties	91,404	57,982
	91,404	57,982

15 Events after the reporting date

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

On behalf of board of directors:

Danilo Krivenko
Board of directors
Wednesday, December 20, 2023
Amsterdam, the Netherlands

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OTHER INFORMATION

Profit appropriation according to the articles of association

The salient point of article 19 of the articles of association governing the appropriation of profit are:

Distribution of profits shall be made following the adoption of the annual accounts which show that such distribution is allowed.

The Company may only make distributions to shareholders and other persons entitled to distributable profits to the extent that its equity exceeds the aggregate amount of the issued share capital and the reserves which must be maintained pursuant to the law.

To: the shareholders of Academic Bridge B.V.

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INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements

Audit Opinion

We have audited the accompanying financial statements for the year ended 31 May 2023 of Academic Bridge B.V., based in Amsterdam. The financial statements comprise of the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Academic Bridge B.V. as at 31 May 2023 and of its result and its cash flows for 2023 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 accompanying company financial statements give a true and fair view of the financial position of Academic Bridge B.V. as at 31 May 2023 and of its result for the year ended 31 May 2022 in accordance 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 31 May 2023;
- 2 the following statements for the year ended 31 May 2023;
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.

The company financial statements comprise:

- 1 the company statement of financial position as at 31 May 2023;
- 2 the company statement of income for the year ended 31 May 2023; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for Our Opinion

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 Academic Bridge 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.

Audit approach fraud risks

For the board's responsibilities regarding fraud, we refer to the following paragraph in the section 'responsibilities of management for the financial statements':

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. 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.

In accordance with the objective in the Dutch Standards of Auditing, we have identified and assessed the risks at the level of the financial statements and assertions for material misstatement due to fraud. In doing so, we paid attention to the possibility of fraudulent financial reporting, the withdrawal of funds (assets) from the company and the possibility of bribery and corruption.

We obtained an understanding of the entity and its environment, and components of the internal control environment.

In the table below we describe the main fraud risks that required our (significant) attention and the related work performed by us.

Fraud risk identified	Audit work performed
Risk of fraud in revenue recognition (overstatement of revenues)	<ul style="list-style-type: none">- Evaluated the design of the internal control environment and of the processes around revenue;- Review of the revenue recognition policies for appropriateness and consistency with the prior period;- Statistical sample on the revenue transactions in the financial administration and established the occurrence for the selected items;

	<ul style="list-style-type: none"> - Disaggregated Margin analysis (non substantive analytical) was performed. The significant deviations from the expected margins were discussed and further investigated if necessary; - Tested the accuracy and completeness of accrued and deferred revenue positions including a test of detail at a student level. - Analysis of unusual manual sales entries; - Cut off testing on sales transactions close to year end.
Risk of management override of controls	<ul style="list-style-type: none"> - Journal entry testing , specific procedures on the journal entries processed manually and user analysis were included; - Examination of the consolidation entries and other adjustments made for the preparation of the financial statements; - Inspection of all relevant contracts, calculations and correspondence with the bank to establish the compliance with covenants; - Reviewed significant accounting estimates for management biases that could result in material misstatement due to fraud. As part of this we performed a retrospective review and evaluated the judgements and decisions made by management in making the estimates in current year; - Reviewed management's process for estimations, including an assessment of whether the method(s) and assumptions chosen are appropriate and consistent.

We incorporated an element of unpredictability in our audit.

Audit approach going concern

Our responsibilities as well as the responsibilities of the management and the supervisory board, are outlined under the prevailing standards in the "C. Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we performed the following procedures:

- Considering whether management's going concern assessment includes all relevant information of which we are aware as a result of our audit, inquired with management regarding the most important assumptions underlying their going concern assessment and considering whether management identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern
- We have analyzed the company's financial position as at year-end and compared this to the previous financial years in terms of indicators that could identify significant going concern risks.
- Inspection of all relevant contracts, calculations and correspondence with the bank to establish the compliance with the covenants.
- Inquiries of management as to their knowledge of going concern risks beyond the period of management's assessment.

Our audit procedures have not provided any information contrary to the assumptions and considerations of the board on the going concern assumption used.

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 Director's report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

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 and Part 9 of Book 2 of the Dutch Civil Code. 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.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Amsterdam, December 20, 2023

Grant Thornton Accountants en Adviseurs B.V.

M.J.J. Welsink RA