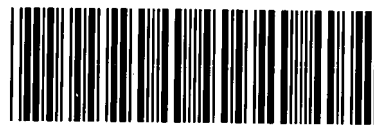


Company Registration No. 13133914 (England and Wales)

BPPH2 Limited

**Annual report and financial statements
for the period ended 31 August 2021**

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BPPH2 Limited

Company information

| | | |
|------------------|---------------------------|-------------------------|
| Directors | Richard John Simmons | (Appointed 6 July 2021) |
| | Timothy Stewart | (Appointed 6 July 2021) |
| | Graham Stuart Mark Gaddes | (Appointed 6 July 2021) |
| | Alison Carol Wells | (Appointed 6 July 2021) |
| | Andrew Matthew Payne | (Appointed 6 July 2021) |

Company number 13133914

Registered office BPP House
Aldine Place
142-144 Uxbridge Road
Shepherds Bush
London
W12 8AA

Independent auditor Deloitte LLP
Statutory Auditor
3 Victoria Square
Victoria Street
St Albans
United Kingdom
AL1 3TF

Bankers Barclays Bank plc
27 Soho Square
London
W1D 3QR

Solicitors Eversheds LLP
1 Wood Street
London
EC2V 7WS

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BPPH2 Limited

Strategic report

For the period ended 31 August 2021

The directors present the Strategic report of BPPH2 Limited ("the company") for the period ended 31 August 2021.

Results and dividends

The trading results for the year ended 31 August 2021, and the company's financial position at the end of the year, are shown in the attached financial statements.

Principal activity of the business

The principal activity of the company is to manage the financing in the BPPH1 Limited group (BPPH1 Limited and subsidiaries).

Strategic review

The company was incorporated on 13 January 2021. The company only period is therefore 7 months and 18 days to 31 August 2021.

On the 6th July 2021 the entire issued share capital and voting rights in BPPH1 Limited (BPPH2 parent) was acquired by Bright Acquisitions Limited, a company indirectly held by a group of investment funds managed by TDR Capital LLP (registered in the UK).

Loss after tax for the year was £8.228 million, primarily due to interest charges. The nature of the business activity dictates that it will be loss-making due to the interest charges and supported by other BPPH1 Limited subsidiaries. Net assets as at 31 August 2021 were £149.952 million.

On 2nd March 2021 a Senior Term Facilities Agreement was entered into by BPPH2 Limited to make available £255.000m. Under the terms of the agreement, no capital repayments would arise until the end of the term of the facility (which is seven years from the initial utilisation) and interest would be charged at an all-in cost of three month LIBOR plus 6.75%. On the 16th March 2021 the facility was fully drawn.

Key performance indicators

Given the nature of the business the key performance indicators have been identified as net assets, which are commented on in the strategic review above.

Key risks and uncertainties

Inherent risk

Due to the nature of the activities carried on by the company, the risks are limited and all relate to the ability of the BPPH1 Limited group to support the debt financing in the Company.

Liquidity and cash flow risks

The key financial risk is having insufficient funds to service its debt. BPPH2 Limited will utilise funds from other BPPH1 Limited subsidiary companies to service the debt. The BPPH1 Limited group and fellow subsidiaries are a cash-generating group with positive cash flows. The company uses this arrangement as an efficient treasuring management tool to manage its liquidity risk.

Key risks and uncertainties (continued)

Economic and competition risk

There is a risk that the company may not perform as expected either due to internal factors or competitive and political pressures in the markets in which it operates.

Changes in the broader economic market can have an impact on the company's business. An example of a change impacting the company is the continued global impact of COVID-19, which is discussed further below.

These risks could have a negative impact on student enrolment, currency fluctuation and turnover of the other related party subsidiaries of BPPH1 Limited. This could impact cashflows in these businesses and their ability to support BPPH2 Limited. The company therefore seeks to mitigate these risks by closely monitoring the economic outlook caused by local and global economic events, and assisting the rest of the BPPH2 Limited subsidiaries to maintain flexible resources to respond to changes in economic and political conditions.

COVID-19

The continued global emergence of COVID-19 has impacted global economic activity, caused business disruption in a number of industries and caused significant volatility in UK, European and other international debt and equity markets. COVID-19 has impacted the majority of businesses in the UK. The company is not directly impacted by COVID-19 but it could impact cashflows in the other related party subsidiaries of BPPH1 Limited and their ability to support BPPH2 Limited. The response from the BPPH1 Limited related party subsidiaries to manage operations has continued from FY2020, continuing to make innovations and improvements to teaching and exams online. Staff have continued to work remotely with continued improvements to the relevant technology and processes to enable this building on the platform from FY2020.

Section 172 (1) Statement

The directors, in line with their duties under section 172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so, the directors have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

In discharging the section 172 duties, the directors have regard to the factors set out above. The directors also have regard to other factors they consider relevant to the decision being made. Those factors, for example, include the interests and views of the company's investors. The directors acknowledge that every decision that is made will not necessarily result in a positive outcome for all of the company's stakeholders. However, by considering the company's purpose, vision and values together with its strategic priorities and having a process in-place for decision-making, the directors aim to make sure their decisions are consistent and predictable.

Section 172 (1) Statement (continued)

Strategic Reviews

As described earlier in this Strategic report, the company's purpose is to manage the financing in the BPPH1 Limited Group (BPPH1 Limited and subsidiaries). The directors are responsible for establishing and monitoring the implementation of the company's strategy, oversight of performance and risk management and setting a strong cultural foundation built around ethical values. The directors delegate authority for day-to-day management of the company to executive management and to senior management in overseeing execution of the business strategy and related policies. Regular meetings are held between senior executives and directors where performance, key developments and future strategy are discussed. The approach allows the company to be more efficient and effective in responding to local economic, political, regulatory and other market changes that impact the company. Further, this approach ultimately supports the company in achieving its strategy to maximise its value for the company's investors.

Financial and operational performance

During the year, the directors review matters relating to a variety of areas, including, but not limited to, financial and operational performance, business strategy, key risks, governance, compliance and legal and regulatory matters. This is done through regular meetings and dialogue with senior management, and the consideration of reports and other supporting information. As part of this review process and through discussions with senior management, the directors contributed to the key activities carried out by the Group during the year, including the repayment of the £10 million revolving credit facility following the robustness shown in the cashflows following the emergence of COVID-19.

Stakeholder Engagement

The company's key stakeholders include its investors, employees of the BPPH1 Limited Group, the communities in which the company operates and the partners that the company works with. The company's success is impacted by the way it conducts itself with these key stakeholders. As such, the views and impact of the company's activities on its stakeholders are an important consideration for the directors when making relevant decisions. For example, the directors regularly engage with employees of the BPPH1 Limited Group through employee surveys to ascertain how involved and satisfied employees feel in their position. As a result, action is taken by senior management to make improvements, for example continuous improvement to the employee appraisal system and roll out of new internal training platforms to enhance employee personal development. While there are cases where the directors determine that they should engage directly with certain stakeholder groups or on certain issues, the size of its stakeholders means that generally, the company's stakeholder engagement best takes place at an operational level. The company finds that this is a more efficient and effective approach, and also helps it achieve a greater positive impact on environmental, social and other issues.

The company, as part of the BPPH1 Limited group, leverages a number of different initiatives and tools in engaging with its employees, including offering learning, development and training courses, health and wellness programs such as a new wellbeing hub launched in 2021, and the roll out of a new benefits platform.

Supplier relationships

Given the nature of the company activity there are no suppliers.

BPPH2 Limited

Strategic report (continued)

For the period ended 31 August 2021

Section 172 (1) Statement (continued)

Environmental

Finally, the company also recognises its responsibility to reducing its environmental impact. The BPPH1 Limited group reports environmental usage annually to its investors. The BPP group closely analyses its energy performance to understand usage trends, identify opportunities for reduction and recognize the impacts of its energy saving projects.

Future developments

The directors will continue to monitor the risks disclosed in the Strategic report. The nature of the company is to manage the financing in the BPPH1 Limited Group (BPPH1 Limited and subsidiaries), as such future developments would likely relate to changes in BPPH1 Limited subsidiary companies. The company is expected to continue to perform in line with previous years.

The Strategic report was approved by the Board of directors, and signed on its behalf by



.....
Graham Stuart Mark Gaddes

Director

Date: 31/05/2022.....

BPPH2 Limited

Directors' report For the period ended 31 August 2021

The directors present their annual report and financial statements for the period ended 31 August 2021.

Information about the company's performance, outlook, strategy, policies, future developments, dividend distribution, section 172 statement and risks and uncertainties can be found in the strategic report.

Principal activities

The principal activity of the company is to manage the financing in the BPPH1 Limited group (BPPH1 Limited and subsidiaries).

Results and dividends

The results for the period are set out on page 13.

Ordinary dividends of £0.169 were paid in the year. The directors do not recommend payment of a final dividend.

Directors

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

| | |
|---------------------------|---|
| Gregory Cappelli | (Appointed 26 February 2021 and resigned 6 July 2021) |
| Mary Cullen | (Appointed 14 January 2021 and resigned 6 July 2021) |
| Richard John Simmons | (Appointed 6 July 2021) |
| Timothy Stewart | (Appointed 6 July 2021) |
| Graham Stuart Mark Gaddes | (Appointed 6 July 2021) |
| Alison Carol Wells | (Appointed 6 July 2021) |
| Andrew Matthew Payne | (Appointed 6 July 2021) |

Energy and carbon reporting

The company's sources of greenhouse gas emissions and energy usage are reported on as part of the BPPH1 Limited group financial statements, which are available from BPP House, Aldine Place, 142-144 Uxbridge Road, Shepherds Bush, London, W12 8AA.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

There are no employees of the company.

BPPH2 Limited

Directors' report (continued)

For the period ended 31 August 2021

Events after the balance sheet date

There were no events after the balance sheet date to be disclosed.

Qualifying third party indemnity provisions

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and financial statements.

Going Concern considerations

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' Report. The financial position of the company is described in the Strategic Report.

In assessing the company's going concern the directors continue to give consideration to the impact of the COVID-19 pandemic. However, given the company's financial performance in 2021 and year-end position, the directors assert that COVID is no longer a materially greater risk to the company than other risk factors considered in the going concern assessment.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent company, BPPH1 Limited and fellow subsidiaries. BPPH1 Limited has committed through a letter of support that it will lend as is necessary to this entity to pay the debts of the company as they become due.

Conclusion

After careful consideration of the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and accounts.

Re-appointment of auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 year. 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 applicable UK 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.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the company's future developments and the risks associated with financial instruments.

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. The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

BPPH2 Limited

Directors' report (continued)
For the period ended 31 August 2021

The Directors report was approved by the Board of directors, and signed on its behalf by



.....
Graham Stuart Mark Gaddes
Director

Date: 31/05/2022

BPPH2 Limited

Independent auditor's report To the members of BPPH2 Limited

Opinion

In our opinion the financial statements of BPPH2 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 Financial Reporting Council's (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.

Independent auditor's report (continued)

To the members of BPPH2 Limited

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.

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.

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

Independent auditor's report (continued)

To the members of BPPH2 Limited

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

BPPH2 Limited

Independent auditor's report (continued)
To the members of BPPH2 Limited

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception.

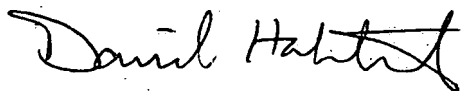
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



David Halstead, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom

Date: 31 May 2022

BPPH2 Limited**Statement of comprehensive income
For the period ended 31 August 2021**

| | | Period ended 31 August 2021 £'000 |
|---------------------------------------|-------|---|
| | Notes | |
| Administrative expenses | | (121) |
| Interest payable and similar expenses | 6 | (8,698) |
| Loss before taxation | | (8,819) |
| Tax on loss | 7 | 591 |
| Loss for the financial period | | (8,228) |

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There were no recognised gains or losses other than those recognised through the Statement of comprehensive income above.

BPPH2 Limited**Statement of financial position
As at 31 August 2021**

| | Notes | £'000 | 2021 £'000 |
|---|-------|---------|---------------|
| Fixed assets | | | |
| Investments | 9 | | 397,966 |
| Current assets | | | |
| Debtors | 11 | 591 | |
| Creditors: amounts falling due within one year | 12 | (3,360) | |
| Net current liabilities | | | (2,769) |
| Total assets less current liabilities | | | 395,197 |
| Creditors: amounts falling due after more than one year | 13 | | (245,245) |
| Net assets | | | 149,952 |
| Capital and reserves | | | |
| Called up share capital* | 14 | | |
| Profit and loss reserves | | | 149,952 |
| Total equity | | | 149,952 |

* = amount less than £1,000, due to rounding.

The financial statements were approved by the board of directors and authorised for issue on 31/05/2022 and are signed on its behalf by:



.....
Graham Stuart Mark Gaddes
Director

Company Registration No. 13133914

BPPH2 Limited**Statement of changes in equity
For the period ended 31 August 2021**

| | | Share capital* | Share premium account | Profit and loss reserves | Total |
|---|-------|-------------------|-----------------------------|--------------------------------|----------------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Period ended 31 August 2021: | | | | | |
| Loss and total comprehensive expense for the period | | - | - | (8,228) | (8,228) |
| Issue of share capital | 14 | - | 158,349 | - | 158,349 |
| Dividends | 8 | - | - | (169) | (169) |
| Capital reduction | | - | (158,349) | 158,349 | - |
| | | <u>-</u> | <u>-</u> | <u>158,349</u> | <u>-</u> |
| Balance at 31 August 2021 | | <u>-</u> | <u>-</u> | <u>149,952</u> | <u>149,952</u> |

* = amount less than £1,000, due to rounding.

1 Accounting policies

Company information

BPPH2 Limited is a private company limited by shares incorporated in England and Wales. The registered office is BPP House, Aldine Place, 142-144 Uxbridge Road, Shepherds Bush, London, W12 8AA.

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 £1,000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of BPPH1 Limited. These consolidated financial statements are available from BPP House, Aldine Place, 142-144 Uxbridge Road, Shepherds Bush, London, W12 8AA.

Notes to the financial statements (continued)
For the period ended 31 August 2021

1 Accounting policies (continued)

1.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and financial statements.

Going Concern considerations

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' Report. The financial position of the company is described in the Strategic Report.

In assessing the company's going concern the directors continue to give consideration to the impact of the COVID-19 pandemic. However, given the company's financial performance in 2021 and year-end position, the directors assert that COVID is no longer a materially greater risk to the company than other risk factors considered in the going concern assessment.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent company, BPPH1 Limited and fellow subsidiaries. BPPH1 Limited has committed through a letter of support that it will lend as is necessary to this entity to pay the debts of the company as they become due.

Conclusion

After careful consideration of the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Reporting period

The company was incorporated on 13 January 2021. The company only period is therefore 7 months and 18 days to 31 August 2021.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Notes to the financial statements (continued)
For the period ended 31 August 2021

1 Accounting policies (continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Cash and cash equivalents

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

1.6 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position 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, 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Notes to the financial statements (continued)
For the period ended 31 August 2021

1 Accounting policies (continued)

Impairment of financial assets

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

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

1 Accounting policies (continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

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

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Notes to the financial statements (continued)
For the period ended 31 August 2021

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

The directors deem that there were no critical accounting judgements or key sources of estimation uncertainty involved in these financial statements.

3 Operating loss

Operating loss for the period is stated after charging:

Fees payable to the company's auditor for the audit of the company's financial statements

2021

£'000

36

4 Employees

There were no employees during the year.

BPPH2 Limited**Notes to the financial statements (continued)**
For the period ended 31 August 2021

5 Directors remuneration

The directors of the Company are also directors of other BPPH1 Limited subsidiaries and have been remunerated by these subsidiaries. The amount remunerated to directors of the Company by its subsidiaries was £1.331 million. In addition, three of the directors are accruing benefits under the BPP Holdings Limited group pension scheme, which is a defined contribution scheme, in respect of their services to the group Companies. This is included in amount remunerated to directors of the Company's subsidiaries above. There was no director's remuneration paid by BPPH2 Limited.

6 Interest payable and similar expenses

| | 2021 |
|-----------------------------------|--------------|
| | £'000 |
| Interest on other loans | 8,012 |
| Capitalised interest amortisation | 686 |
| | <hr/> |
| | 8,698 |
| | <hr/> |

Notes to the financial statements (continued)
For the period ended 31 August 2021

7 Taxation

| | 2021 |
|--|--------------------------|
| | £'000 |
| Current tax | |
| UK corporation tax on profits for the current period | (591) |
| | <u><u> </u></u> |

The actual credit for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

| | 2021 |
|---|--------------------------|
| | £'000 |
| Loss before taxation | (8,819) |
| | <u><u> </u></u> |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% | (1,676) |
| Tax effect of expenses that are not deductible in determining taxable profit | 1,116 |
| Other timing differences | (31) |
| | <u> </u> |
| Taxation credit for the period | (591) |
| | <u><u> </u></u> |

8 Dividends

| | 2021 |
|--------------|--------------------------|
| | £'000 |
| Interim paid | 169 |
| | <u><u> </u></u> |

9 Fixed asset investments

| | 2021 |
|-----------------------------|-----------------------|
| | £'000 |
| | Notes |
| Investments in subsidiaries | 10 |
| | <u><u>397,966</u></u> |

Notes to the financial statements (continued)
For the period ended 31 August 2021

9 Fixed asset investments (continued)**Movements in fixed asset investments**

| | Shares in group undertakings £'000 |
|--------------------------|---|
| Cost or valuation | |
| At 14 January 2021 | - |
| Additions | 397,966 |
| | <hr/> |
| At 31 August 2021 | 397,966 |
| | <hr/> |
| Carrying amount | |
| At 31 August 2021 | 397,966 |
| | <hr/> <hr/> |

BPPH2 Limited**Notes to the financial statements (continued)**
For the period ended 31 August 2021**10 Subsidiaries**

Details of the company's subsidiaries at 31 August 2021 are as follows:

| Name of undertaking | Country of incorporation | Class of shares held | % Held |
|--|--------------------------|----------------------|--------|
| | | | Direct |
| Actuarial Education Company Ltd | UK | Ordinary | 99 |
| BPP (CI) Ltd | Jersey | Ordinary | 100 |
| BPP Actuarial Education Ltd | UK | Ordinary | 100 |
| BPP China Ltd | Hong Kong | Ordinary | 100 |
| BPP Colombia S.A.S. | Colombia | Ordinary | 100 |
| BPP Enterprise Management Consulting (Shanghai) Co., Ltd | China | Ordinary | 100 |
| BPP Holdings Ltd* | UK | Ordinary | 100 |
| BPP International Ltd | UK | Ordinary | 100 |
| BPP Learning Media Ltd | UK | Ordinary | 100 |
| BPP Malaysia SDN BHD | Malaysia | Ordinary | 100 |
| BPP Offshore Group Ltd | Jersey | Ordinary | 100 |
| BPP Professional Education Ltd | UK | Ordinary | 100 |
| BPP Professional Education SP z.o.o. | Poland | Ordinary | 100 |
| | | | 0 |
| BPP Services Ltd | UK | Ordinary | 100 |
| BPP Singapore PTE Ltd | Singapore | Ordinary | 100 |
| BPP South Africa (PTY) Ltd | South Africa | Ordinary | 100 |
| BPP University Ltd | UK | Ordinary | 100 |
| Business Training Romania Srl | Romania | Ordinary | 100 |
| Jersey International Business School | Jersey | Ordinary | 100 |

*Directly held. All other holdings in subsidiary holdings are indirectly held by virtue of the Company's direct investment in its directly held subsidiaries and their respective subsidiary holdings.

10 Subsidiaries (continued)

The registered address for the UK based subsidiaries listed is BPP House, 142-144 Uxbridge Road, Aldine Place, London, W12 8AA, UK.

The registered address for BPP (CI) Limited, BPP Offshore Group Limited and Jersey International Business School is Whiteley Chambers 25 Don Street, St Helier, Jersey, JE2 4TR.

The registered address for subsidiary companies incorporated in Hong Kong is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The registered address for subsidiary companies incorporated in Colombia is CL 98 NO. 18 71 P 2, Bogotá, Colombia.

The registered address for subsidiary companies incorporated in China is Room 721 and 723, 7F, No. 2, Building 2, No. 999 Middle Huaihai Road, Xuhui District, Shanghai, China.

The registered address for subsidiary companies incorporated in Malaysia is Unit 3001, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur W.P., Kuala Lumpur, Malaysia.

The registered address for subsidiary companies incorporated in Poland is Tytusa Chalubinskiego, 8 00-613, Warsaw, Poland.

The registered address for subsidiary companies incorporated in South Africa is 47 Lakefield Avenue, Lakefield, Benoni, South Africa.

The registered address for subsidiary companies incorporated in Romania is 4 G-ral Vasile Milea, Far Entrance, Room 17, Floor 2, District 6, Bucharest, Romania.

The registered address for subsidiary companies incorporated in Singapore is 77 Robinson Road, #13-00 Robinson 77, Singapore 068896.

11 Debtors

Amounts falling due within one year:

Corporation tax recoverable

2021

£'000

591

BPPH2 Limited**Notes to the financial statements (continued)**
For the period ended 31 August 2021**12 Creditors: amounts falling due within one year**

| | 2021 |
|------------------------------|--------------|
| | £'000 |
| Amounts owed to subsidiaries | 3,325 |
| Accruals | 35 |
| | <u>3,360</u> |

13 Creditors: amounts falling due after more than one year

| | 2021 |
|------------------|--------------|
| | £'000 |
| Other borrowings | 245,245 |

On 2nd March 2021 a Senior Term Facilities Agreement was entered into by BPPH2 Limited to make available £255 m. Under the terms of the agreement, no capital repayments would arise until the end of the term of the proposed facility (which is seven years from the initial utilisation) and interest would be charged at an all-in cost of three month LIBOR plus 6.75%. On the 16th March 2021 the facility was fully drawn. Fees received in relation to the facility have been offset against the loan.

BPPH2 Limited**Notes to the financial statements (continued)**
For the period ended 31 August 2021**14 Share capital**

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £'000 | £'000 |
| Issued and fully paid | | |
| 343,508,330 ordinary shares of 0.000001p each | - | - |
| 1,375,000 non-voting ordinary shares of 0.000001p each | - | - |
| | <u> </u> | <u> </u> |

As at 31 August 2021 there are 343,508,330 ordinary shares and 1,375,000 non-voting ordinary shares with a par value of 0.000001p. This gives a total value of £344.88. This does not display above due to the rounding as it is an amount less than £1,000.

15 Ultimate controlling party

The immediate parent is BPPH1 Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent of the Company is Bright Holdings S.a.r.l. and the ultimate controlling party is a group of investment funds managed by TDR Capital LLP (registered in the UK).

BPPH1 Limited is the largest and smallest group undertaking for which consolidated financial statements are prepared. Copies of the Group financial statements of BPPH1 Limited are available from BPP House, Aldine Place, 142-144 Uxbridge Road, Shepherds Bush, London, W12 8AA.