Cambridge
Education Group

Annual report and financial statements CEG Global Online SB Limited

For the period ended 31 August 2022

Company no. 13839877

Contents

Directors' report

The directors present their report and the unaudited financial statements of the company for the period of 8 months ended 31 August 2022. The company was incorporated on 11 January 2022.

Results and dividends

The company made a loss for the financial period of £397,000. No dividends were paid during the period.

Going concern

After making enquiries, the directors have a reasonable expectation that the group into which the company is consolidated has adequate resources to continue in operational existence for the foreseeable future within the level of existing facilities and to meet long term liabilities as they fall due. The parent has indicated it will continue to provide financial support for a period at least 12 months from the date these financial statements were approved. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Business review and future developments

The directors consider the results satisfactory and foresee growth in the coming year.

Directors

The directors who served the company during the period and up to the date of signature of these financial statements were as follows:

D Johnston	Appointed on 11 January 2022
B Webb	Appointed on 11 January 2022

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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 the financial statements, the directors are required to:

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

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

Audit exemption

The company has claimed exemption from audit under section 479A of the Companies Act 2006 for the financial period ended 31 August 2022. The immediate parent company, CEG Digital Limited, has given a statement of guarantee under section 479C of the Companies Act 2006, whereby CEG Digital Limited will guarantee all outstanding liabilities to which the company is subject as at 31 August 2022.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

On behalf of the board

D Johnston
Director
30 April 2023

Income statement

For the period ended 31 August 2022

	Period from 11 January to 31 August 2022 £'000
Revenue	7
Cost of sales	(2)
Gross profit	5
Administrative expenses	(495)
Loss before taxation	(490)
Tax on loss	93
Loss for the financial period	(397)

All of the activities of the company are classed as continuing.

Statement of comprehensive income

For the period ended 31 August 2022

	Period from 11 January to 31 August 2022 £'000
Loss for the financial period	(397)
Total comprehensive expense for the period	(397)

Statement of financial position

As at 31 August 2022

	Note	2022 £'000
Fixed assets		
Intangible assets	6	**224**
Current assets		
Debtors	7	**4**
Creditors: amounts falling due within one year	8	**(625)**
Net current liabilities		**(621)**
Total assets less net current liabilities		**(397)**
Net liabilities		**(397)**
Capital and reserves		
Called-up share capital		**-**
Accumulated losses		**(397)**
Total equity		**(397)**

The members have not required the company to obtain an audit for the financial period ended 31 August 2022 in accordance with section 476 of the Companies Act 2006.

The company was entitled to exemption from audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

These financial statements on pages 5 to 13 were approved by the directors and authorised for issue on **30** April 2023 and are signed on their behalf by:

D Johnston
Director
Company registration number: 13839877

The accompanying accounting policies and notes form part of these financial statements.

Statement of changes in equity

For the period ended 31 August 2022

	Called-up share capital	Accumulated losses	Total equity
	£'000	£'000	£'000
On incorporation at 11 January 2022	-	-	-
Loss for the financial period	-	(397)	(397)
Total comprehensive expense for the period	-	(397)	(397)
At 31 August 2022	**-**	**(397)**	**(397)**

Notes to the financial statements

1 General information

CEG Global Online SB Limited ("the company") is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office, which is also the principal place of business, is 51-53 Hills Road, Cambridge, CB2 1NT. The principal activity of the company is the provision of online and blended learning courses.

2 Statement of compliance

These financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, applying section 1A of that Standard, and in compliance with the Companies Act 2006 (including part 15 special provisions for small companies).

3 Summary of significant accounting policies

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

a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historic cost convention.

Values are presented in pounds sterling which is also the functional currency of the company, rounded to thousands except where the nature of the disclosure or the value disclosed is such that disclosure in pounds sterling is more appropriate.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Details of significant judgments and estimates are disclosed in note 4.

b) Going concern

The group of which the company is a part meets its day-to-day working capital requirements through its banking facilities and cash held. The directors have prepared both detailed budgets and long term forecasts for the company and group, taking account of reasonably possible changes in trading performance. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, within the level of existing facilities and to meet long term liabilities as they fall due. The company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction. All foreign exchange differences are taken to profit or loss.

3 Summary of significant accounting policies (continued)

d) Revenue

Tuition revenue is generated from the provision of education courses to students and is recognised over the period in which the teaching occurs. Discounts and bursaries are netted against tuition revenue.

Where payments are received from students in advance of services provided, those amounts are recorded as deferred income or, if potentially refundable within the terms of the contract, within other creditors.

Registration fees and fees in lieu of notice are recognised in income when received.

e) Employee benefits

The company operates a defined contribution pensions plan for its employees. Contributions are charged to profit or loss in the period in which they become payable.

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

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

f) Current and deferred taxation

The charge or credit for taxation is based on the profit or loss for the financial period and is calculated with reference to the tax rates applying at the financial period end date in the jurisdiction where the tax is applied.

Deferred taxation is calculated on the differences between the company's taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Full provision for deferred tax assets and liabilities is made at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

g) Intangible assets

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

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

3 Summary of significant accounting policies (continued)

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

Amortisation is calculated using the straight-line method, to allocate the depreciable amount of intangible assets to their residual values over their estimated useful economic life which for curriculum development software is 5 years. Amortisation begins when the intangible asset is available for use.

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

h) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

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

Depreciation is calculated so as to write off the cost of the assets, less their estimated residual value, over the useful economic life of the asset on a straight-line basis. These useful lives range from 3 to 5 years.

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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

i) Impairment of fixed assets

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

j) Financial assets and liabilities

Basic financial assets including trade and other debtors, amounts owed by fellow group undertakings, and bank balances, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Basic financial liabilities including trade and other creditors, and amounts owed to fellow group undertakings, are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at the present value of the future payments discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

3 Summary of significant accounting policies (continued)

k) Share capital

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

l) Reserves

The company's reserves represent cumulative retained earnings and accumulated losses.

4 Critical accounting estimates and judgments

In preparing these financial statements the directors have identified the following key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of intangible assets

The company considers whether intangible assets are impaired. These estimates are based on a variety of factors such as the expected life of internally developed software and any legal, regulatory or contractual provisions that can limit useful life. Where an indication of impairment is identified, the estimation of the recoverable value requires estimation of the recoverable value of the CGUs. This requires estimation of the sector valuation and/or future cash flow from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. The net carrying value of intangible assets is given in note 6.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. The net carrying amount of the debtors and the associated impairment provision are given in note 7.

5 Average number of employees

	2022 No.
The average number of persons employed was:	**4**

Directors' remuneration is borne by other group companies and it is deemed not possible to allocate a charge from other group companies.

6 Intangible assets

	Curriculum development £'000
Cost:	
On incorporation 11 January 2022	-
Additions	227
At 31 August 2022	227
Accumulated amortisation:	
On incorporation 11 January 2022	-
Charge for the period	3
At 31 August 2022	3
Net book value at 31 August 2022	**224**
Net book value at 11 January 2022	-

7 Debtors

	2022 £'000
Amounts falling due within one year:	
Trade debtors	**2**
Prepayments and accrued income	**2**
	4

Trade debtors are not impaired.

8 Creditors: amounts falling due within one year

	2022 £'000
Trade creditors	8
Amounts owed to group undertakings	483
Accruals	133
Deferred income	1
	625

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

9 Related party transactions

As a wholly-owned subsidiary of Camelot Topco Limited, the company is exempt from the requirement to disclose transactions with other members of the group.

10 Ultimate controlling party

The immediate parent company is CEG Digital Limited, a company incorporated in the United Kingdom.

The ultimate parent company is Camelot Topco Limited, a company incorporated in the United Kingdom with a registered office at the same address as that of the company, as shown in note 1.

CEG Digital Limited is the parent company of the smallest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Copies of those consolidated financial statements may be obtained from the address given in note 1.

Camelot Topco Limited is the parent undertaking of the largest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Copies of the consolidated financial statements may be obtained from the address given in note 1.

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