

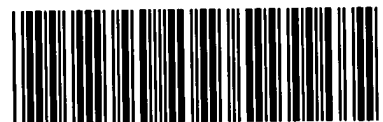
**Registered number: 07964572**

**ASSESSMENTS BIDCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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COMPANIES HOUSE

# **ASSESSMENTS BIDCO LIMITED**

## **COMPANY INFORMATION**

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### **DIRECTORS**

Gregor Watson  
Alastair Brooks  
Christopher Bauleke  
Neal Dittersdorf  
Dean Tilsley

### **COMPANY SECRETARY**

Roxburgh Milkins Limited

### **REGISTERED NUMBER**

05828481

### **REGISTERED OFFICE**

c/o Roxburgh Milkins Limited  
Merchants House North  
Wapping Road  
Bristol  
BS1 4RW

### **AUDITOR**

KPMG LLP  
Chartered Accountants and Statutory Auditor  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

## **ASSESSMENTS BIDCO LIMITED**

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## ASSESSMENTS BIDCO LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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#### BUSINESS REVIEW

The Company's principal activity is that of an investment holding company, holding investments in fellow Group companies. The performance for the year and financial position at the year-end are set out on pages 7 - 9 and no loss arose in the year because the Company is an intermediate holding company and doesn't trade.

The Company received a dividend of £4m in the year from its subsidiary company GL Education Group Ltd and also paid a dividend from its capital contribution reserve to its parent company Assessments Midco 2 Ltd of 4m.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company is an intermediate holding company and so the most significant risk is the underperformance of its investments. The most significant risk to its investments is the underlying condition of the educational assessment market in the UK. The Group board has strategies to manage risk and remains confident of the continued success of the Company.

Throughout the year the subsidiary investments have performed strongly and delivered above target performance and good year-on-year growth. They are expected to continue to meet or exceed their 2023 targets and grow year on year vs 2022. On this basis the directors have concluded it is appropriate to prepare the financial statements on a going concern basis.

The Company requires the ongoing support of other Group members, and the wider Group has indicated its intention that support will be provided for a period not less than one year from the date of approval of these 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.

#### FUTURE PROSPECTS

The directors do not anticipate any significant change to the Company's operations and performance over the next 12 months.

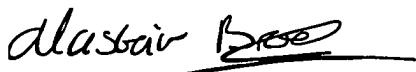
#### SECTION 172 (1) STATEMENT

The Directors can confirm that they have considered broader matters when performing their duties, specifically with regard to promoting the success of the company for shareholders as a whole.

In developing the Group's strategy, the Directors and Senior Management Team consistently engage with employees, customers and suppliers as well as shareholders to develop the right outcomes. Specific examples include:

- Review of business unit long term projections and KPI's to ensure investment and focus continues to be paid to the right areas for the long term as well as short term prospects of the Group
- Bi-annual strategy and operating reviews with major suppliers to discuss relationship priorities going forward
- Regular engagement with employees through regular business town halls and detailed discussion sessions with a smaller "Management Forum" group
- Market research discussions with customers to ascertain their priority and focus areas as these evolve and develop
- Ensuring the highest standards of business conduct are upheld through maintenance of a risk register, clear and updated HR policies and well documented objective and performance review processes.

This report was approved by the board on 9/6/23 and signed on its behalf by:



**Alastair Brooks**

Director

Date:

9/6/23

## **ASSESSMENTS BIDCO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **PRINCIPAL ACTIVITY**

The Company's principal activity is that of an investment holding company.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £4,000,000 (2021: £8,600,000).

The Company received and paid dividends of £4,000,000 in the year.

#### **DIRECTORS**

The directors who served during the year and up to the date of approval of the financial statements were:

Gregor Watson  
Alastair Brooks  
Christopher Bauleke (appointed 31 March 2023)  
Neal Dittersdorf (appointed 31 March 2023)  
Dean Tilsley (appointed 31 March 2023)

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 require a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance these have been included within the Strategic Report rather than the Directors' Report. It has done so in respect of future prospects and financial risk management.

#### **DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **AUDITOR**

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Alastair Brooks  
Director

Date:

*Alastair Brooks*  
7/6/23

## **ASSESSMENTS BIDCO LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSESSMENTS BIDCO LIMITED**

### **Opinion**

We have audited the financial statements of Assessments Bidco Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Material uncertainty related to going concern**

We draw attention to note 2 to the financial statements which indicates that following a change in ownership of GLE UK Topco Limited (the intermediate parent of the Company), the details of a new financing structure to be put in place by the new ultimate owners is not yet known. The Directors have not yet been able to assess the ability of the group (headed by GLE UK Topco Limited) to comply with covenant or liquidity requirements that may form part of the new financing structure. These events and conditions, along with the other matters explained in note 2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

### **Going concern basis of preparation**

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion based on our financial statements audit work is that we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud,
- Reading Board minutes,
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSESSMENTS BIDCO LIMITED (CONTINUED)**

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.

### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSESSMENTS BIDCO LIMITED  
(CONTINUED)**

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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 Caseldine (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

9 June 2023

## ASSESSMENTS BIDCO LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Income from fixed assets investments		4,000	8,600
<b>Profit before tax</b>		<b>4,000</b>	<b>8,600</b>
Tax on profit	5	-	-
<b>Profit for the financial year</b>		<b>4,000</b>	<b>8,600</b>

There was no other comprehensive income for 2022 (2021: NIL).

The notes on pages 10 to 17 form part of these financial statements.

All amounts relate to continuing operations.

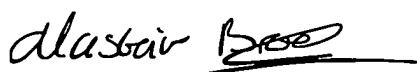
**ASSESSMENTS BIDCO LIMITED**

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

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Investments	6	76,565	76,565
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	-	34
Debtors: amounts falling due within one year	7	146	111
		<u>146</u>	<u>145</u>
Creditors: amounts falling due within one year	8	<u>(58,739)</u>	<u>(58,738)</u>
<b>Net current liabilities</b>		<u>(58,594)</u>	<u>(58,593)</u>
<b>Total assets less current liabilities</b>		<u>17,972</u>	<u>17,972</u>
<b>Net assets</b>		<u>17,972</u>	<u>17,972</u>
<b>Capital and reserves</b>			
Called up share capital	9	685	685
Share premium account	10	11,197	11,197
Capital contribution reserve	10	6,760	10,760
Profit and loss account	10	<u>(670)</u>	<u>(4,670)</u>
		<u>17,972</u>	<u>17,972</u>

The notes on pages 10 to 17 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**Alastair Brooks**

**Director**

Date: 7/1/23

**ASSESSMENTS BIDCO LIMITED**

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

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital contribution reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 1 January 2021</b>	<b>685</b>	<b>11,197</b>	<b>19,360</b>	<b>(13,270)</b>	<b>17,972</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	8,600	8,600
Dividends	-	-	(8,600)	-	(8,600)
<b>At 1 January 2022</b>	<b>685</b>	<b>11,197</b>	<b>10,760</b>	<b>(4,670)</b>	<b>17,972</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	4,000	4,000
Dividends	-	-	(4,000)	-	(4,000)
<b>At 31 December 2022</b>	<b>685</b>	<b>11,197</b>	<b>6,760</b>	<b>(670)</b>	<b>17,972</b>

The notes on pages 10 to 17 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. GENERAL INFORMATION**

Assessments Bidco Limited (Company registration number 07964572) is a limited liability company incorporated in England. The registered office is c/o Roxburgh Milkins Limited, Merchants House North, Wapping Road, Bristol, BS1 4RW.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group accounts as a wholly owned subsidiary of GLE UK Topco Limited. These financial statements present information about the company as an individual undertaking and not about its Group.

The Company's ultimate UK parent undertaking, GLE UK Topco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of GLE UK Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from C/O Roxburgh Milkins LLP, Merchants House North, Wapping Road, Bristol, BS1 4RW. Further details of the wider Group structure can be found in note 12.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are prepared in sterling, which is the functional currency of the company and rounded to the nearest £000.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

In accordance with FRS 101 the Company has not made the disclosures mentioned above as it was a wholly owned subsidiary undertaking of GLE UK TopCo Limited which produces fully consolidated accounts which are publicly available.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) or by the International Financial Reporting Council Interpretations Committee (IFRIC) and have been adopted for the period ended 31 December 2022:

- Onerous Contracts- Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standard 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The adoption of these new IFRS' has not had a material impact on the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 GOING CONCERN ASSESSMENT BY THE DIRECTORS OF THE COMPANY**

The Company is part of the GLE Topco Limited Group (the “Group”) and the Company’s ability to operate as a going concern is directly linked to the Group’s position.

GLE UK Topco Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and will not seek repayment of the amounts currently made available, which at 31 December 2022 amounted to £58,739,000.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The Directors have prepared cash flow forecasts for the period of 12 months from the date of approval of these Financial Statements (the going concern assessment period) which indicate that even taking account of reasonable possible downsides versus management’s business plan, the Group and company will have sufficient funds to meet their current known liabilities as they fall due for that period. For these reasons, the Directors consider it appropriate for the financial statements to have been prepared on a going concern basis.

In February 2023, GLE UK Topco Ltd announced that their Board of Directors and the then ultimate controlling investors, Levine Leichtman Capital Partners Fund (LLCP) V, L.P and LLCP Co-Investment Fund L.P, had decided to sell the GLE UK Topco Ltd Group. This sale process was completed on 31 March 2023 and as disclosed in note 13, the new ultimate parent company is now Renaissance Learning Inc.

At the point of completion of the sale, previous financing arrangements have all been paid down but any new financing structure to be put in place by the new ultimate owners is not yet known as at the date of approval of these financial statements. Any such financing is currently expected to be drawn down from another entity from the Renaissance Learning Inc group, with funding to be provided as required by the GLE UK Topco Group by a mechanism yet to be determined.

Based on these circumstances, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis due to the underlying trading position of the company and a reasonable expectation that any future financing arrangements will be such that can be serviced by the Group. However, given that the future financing arrangements, along with any associated covenant or security requirements, are not known at the point of signing the financial statements, these circumstances indicate the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group’s and Company’s ability to continue as a going concern and, therefore, that the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**2.4 TAXATION**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (Continued)**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reserved if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets required and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.5 INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.6 IMPAIRMENT**

Management carries out a regular review of the status of the assets of the Group to determine whether there is any indication that these assets have suffered any impairment.

If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, which is then recognised in profit or loss. Management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the impairment are based on critical evaluation of the economic circumstances involved, historical experience and other factors considered to be relevant.

**2.7 FINANCIAL INSTRUMENTS**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company uses an allowance matrix to measure the expected credit losses and impairments of trade and other receivables from individual customers, which comprise a very large number of small balances. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a known loss component based on historical data for similar financial assets. Loss rates are based on actual credit loss experience over the past seven years and are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (Continued)**

**Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

**Loans and payables**

Financial liabilities at amortised cost, including bank borrowings, are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates.

The main accounting judgement relates to the recoverability of investments in subsidiaries. The directors consider that the carrying value of the investment is supported by the expectations of future profitable trading of the subsidiaries. These future expectations have been an average EBITDA growth rate of 5% over the 5 year period and then 2% growth into perpetuity and a WACC of 12%. The carrying amount of investments at the year end was £76,565,000 (2021: £76,565,000) as disclosed in note 6.

The directors consider all amounts due from Group undertakings to be recoverable. This is on the basis that, despite the GLE UK Topco Limited Group being loss making, it is considered a going concern based upon review of future forecasts for the Group undertakings.

**4. OPERATING PROFIT**

The fee in respect of the audit of these financial statements of £2,000 (2021: £2,000) was paid on behalf of the Company by GL Education Group Limited, a subsidiary company.

The Company has no employees during the current or preceding year other than the directors.

Directors' remuneration of the GLE UK Topco Limited Group, totaling £875,000 (2021: £637,000) was borne by a fellow Group company (GL Education Group Limited) in both the current and prior period. These costs are not allocated or recharged between Group companies.

During the period the highest paid director received remuneration and other emoluments of £491,000 (2021: £371,000) and pension contributions of £Nil (2021: £Nil).

1 (2021: 1) director is making contributions to a defined contribution pension scheme. Other than the directors, no key management have been identified.

**ASSESSMENTS BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****5. TAXATION****FACTORS AFFECTING TAX CREDIT FOR THE PERIOD**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<u><b>4,000</b></u>	<u><b>8,600</b></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	<b>760</b>	<b>1,634</b>
<b>EFFECTS OF:</b>		
Group income	<u><b>(760)</b></u>	<u><b>(1,634)</b></u>
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u><b>-</b></u>	<u><b>-</b></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

As enacted by the Government on 24 May 2021, the corporation tax rate will be increased from 19% to 25% with effect from 1 April 2023. Accordingly, this rate will be used to measure any deferred tax assets and liabilities in the current and future reporting periods.

**6. INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>
<b>COST</b>	
At 1 January 2022	<u><b>76,565</b></u>
At 31 December 2022	<u><b>76,565</b></u>

# ASSESSMENTS BIDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 6. INVESTMENTS (CONTINUED)

#### SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
GL Education Group Limited (1)	Educational materials	Ordinary	100%
Kirkland Rowell Limited* (1)	Publishing	Ordinary	100%
GL Assessment Limited* (1)	Publishing	Ordinary	100%
W3 Insights Limited* (1)	Educational materials	Ordinary	100%
The Test Factory Limited* (1)	Online testing software	Ordinary	100%
Lucid Research Limited* (1)	Software development	Ordinary	100%
Lucid Innovations Limited* (1)	Intermediate holding company	Ordinary	100%
GL Education (No.3) Limited* (1)	Intermediate holding company	Ordinary	100%
BK Holdings Limited* (1)	Intermediate holding company	Ordinary	100%
Boardworks Interactive LLC* (2)	Educational materials	Ordinary	100%

1 - Registered office is 1st Floor Vantage London, Great West Road, Brentford, United Kingdom, TW8 9AG

2 - Registered office is Suite B12, 2nd Floor, 240 Kent Avenue, Brooklyn, United States, NY 11249

\* - Held indirectly by the company

### 7. DEBTORS

	2022	2021
	£000	£000
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Amounts owed by Group undertakings	-	34
	<u>2022</u>	<u>2021</u>
	£000	£000
<b>DUE WITHIN ONE YEAR</b>		
Amounts owed by Group undertakings	146	111

The amounts owed by Group undertakings are unsecured, repayable on demand and are interest free.

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
Amounts owed to Group undertakings	58,739	58,738

The amounts owed to Group undertakings are unsecured, repayable on demand and are interest free.

## ASSESSMENTS BIDCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 9. SHARE CAPITAL

	2022	2021
	£	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
68,477,326 (2021: 68,477,326) Ordinary Shares of £0.01 each	<u>684,773</u>	<u>684,773</u>

The Ordinary shares have the right to one vote per share and there are no restrictions over dividends.

#### 10. RESERVES

##### Share premium account

The share premium account records the amount above the nominal value received for shares sold, less transaction costs.

##### Capital contribution reserve

The capital contribution reserve relates to long-term funding provided by the parent entities. These contributions are non-refundable, have no entitlement to interest or assets of the company on winding up and the reserve is considered distributable.

During the year the Company paid a distribution of £4,000,000 out of its capital contribution reserve to its immediate parent undertaking.

##### Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

#### 11. CONTINGENT LIABILITIES

Under a Group registration, the Company is jointly and severally liable for VAT at 31 December 2022 with other companies in the Group headed by GLE UK Topco Limited. The total Group VAT liability at the year-end was £191,000 (2021: £543,000).

#### 12. CONTROLLING PARTY

At 31 December 2022, the immediate parent company was Assessments Midco 2 Limited, a company incorporated and registered in England and Wales. The results of the company are included within the consolidated accounts of GLE UK TopCo Limited. The directors consider that Levine Leichtman Capital Partners Fund V, L.P. and LLC Co-Investment Fund, L.P. (collectively "LLCP"), Delaware, USA, registered entities (registered numbers; 5199388 and 5604129), were the ultimate parent undertakings of the company at 31 December 2022.

#### 13. SUBSEQUENT EVENTS

On 31st March 2023, the Company's Ultimate owner Levine Leichtman Capital Partners ("LLCP") Fund V, L.P and LLC Co-Investment Fund, L.P completed the sale of GLE UK Topco Ltd & its subsidiaries to Renaissance Learning Inc.