



Annual report and  
financial statements  
CEG Administrative Services  
Limited

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For the year ended 31 August 2022



Company no. 06355644

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## Strategic report

The directors present their strategic report on the company for the year ended 31 August 2022.

### Principal activities

The principal activity of the company during the year was the provision of administrative services to other group companies within Cambridge Education Group (CEG).

CEG, established in 1952, is a leading UK-based enterprise solution provider to the higher education sector. The group offers critical, high quality academic services, enabling thousands of students to achieve their academic ambitions by:

- helping universities to deliver best-in-class education;
- offering a broad range of courses with a leading position in medical OPM;
- connecting students to quality international universities;
- preparing students for their international higher education.

CEG operates through a global network of 23 high quality partner universities, organised under two operating divisions:

- **ONCAMPUS** – teaching pre-university programmes leading to a wide range of undergraduate and Master's degrees at leading universities across the UK, USA and mainland Europe. Our programmes are designed for international students who do not meet the requirements for direct entry to university study, and benefit from the support we offer in preparing them to progress to their chosen university. Since 2008, we have helped thousands of students progress to the best universities in the UK, USA and Europe.
- **Digital** – working closely with partner universities to create, promote and deliver online and blended university programmes to students around the world.

The underlying principles across all divisions are:

- world-class provision of classroom-based and online teaching in the English language;
- helping students to achieve entry to the best universities according to their aspirations and abilities; and,
- exceptional pastoral care that ensures students' educational experience is also safe, healthy and enjoyable.

### Business review

The profit after tax for the financial year was £323,000 (2021: £563,000). In the opinion of the directors the state of the company's affairs at 31 August 2022 was satisfactory.

### Financial key performance indicators

The board and management use key performance indicators (KPIs) to monitor the success of the group business. The KPIs used for CEG are not relevant to the activities of the company.

### Future developments

In future the company will continue to perform its present function within the group headed by the ultimate parent, Camelot Topco Limited ("the group").

### Directors' duties under section 172 of the Companies Act 2006

When performing their duties under section 172 of the Companies Act 2006 the directors must have regard to the following considerations:

- the likely consequence of any decisions in the long-term;
- the interests of the group's employees;
- the need to foster the group's business relationships with suppliers, customers and others;
- the impact of the group's operations on the community and environment;
- the desirability of the group maintaining a reputation for high standards of business conduct;
- the need to act fairly as between shareholders of the group.

We have detailed below how the directors have done so during the year.

The year to 31 August 2022 was another year of change for Cambridge Education Group. This was characterised by rapid growth in student volumes and operational scale across both existing and new university partnerships, including entry into new geographical markets (e.g. ONCAMPUS Paris) and development of new products (e.g. online undergraduate programmes in Digital). As restrictions on international travel introduced during the Covid-19 pandemic were relaxed and student mobility increased, the group was able to capitalise on its strong financial foundation, robust and diversified portfolio, and high partner satisfaction to accelerate business development in line with the group's objective of developing its online and pathway offerings (including establishment of several new long-term partnerships in both the ONCAMPUS and Digital divisions). These changes were driven by strategic decisions made to ensure we manage our business with a focus on creating long term sustainable value for our shareholders.

Set out in the below table is management's assessment of our key stakeholder groups, detailing how the board has considered the issues and factors that impact them and how engagement has impacted board decisions and company strategies during the financial year.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
<b>Shareholders</b>	The board is accountable to its shareholders and must act in a way that is likely to promote the success of the group for the benefit of its members as a whole. The group seeks to maintain effective dialogue with its shareholders, to ensure that their views and any concerns they may have are understood and considered.	Regular monthly board meetings, complemented by separate consideration of relevant issues at meetings of the remuneration committee and audit committee.	Signing of new long-term partnerships with Kedge business school ('ONCAMPUS Paris'), Digital London South Bank University, Digital University of Plymouth, Digital Arts University Bournemouth.
<b>Customers (e.g. university partners)</b>	Delivering a service that meets the needs of our customers in all of the markets in which we operate is fundamental to our success. We help universities to succeed in their online education strategy, and to access business-critical international student recruitment.	University 'partner insights' feedback survey with focus on Net Promoter Score metric, regular university board / steering group meetings.	Broadening of existing partnerships with London South Bank University and Royal College of Surgeons in Ireland to include online services, providing an end-to-end enterprise solution.

Stakeholders	Significance to the business	Examples of engagement	Examples of decisions impacted by the engagement
<b>Students</b>	Students are at the heart of what the group is trying to achieve, and as such we rely heavily on their feedback and evaluation of their learning experiences. Both ONCAMPUS and Digital (including iheed) actively engage students, individually and collectively, in the quality of their educational experience.	Induction surveys, end of programme surveys, representation at centre audits and on relevant committees (e.g. staff-student consultative committees).	Continuation of staggered start dates and flexible modes of delivery (e.g. face-to-face, online-only, blended) in response to existing and prospective student requirements during coronavirus disruption. #ByYourSide initiative including pre-arrival and travel support, and facilitation of access to health and vaccination services.
<b>Suppliers (e.g. our agent network)</b>	Strong working relationships with our suppliers is crucial to the effectiveness of our entire operation, enhancing our efficiency and creating value.	Agent surveys, 'familiarisation trips' to allow agents to experience our product first-hand.  Development of the agent portal to allow agents to track their application in our Admissions CRM and make conditional offers.	Investment in development of the ONCAMPUS Agent Portal, which significantly improves service levels and efficiency for both agents and CEG.
<b>Employees</b>	Our people, including permanent and temporary workers, engaged as both employees and contractors, are what makes our business what it is. We rely on them to deliver our vision, uphold our values and culture, and to achieve against our strategic priorities, creating long term sustainable value for our shareholders and stakeholders.	Our 'Let's Listen' programme (facilitated by an external provider) is the catalyst for 2-way dialogue and creates forums for improving CEG as a place to work and to achieve.  Individual's personal objectives are derived as part of a cascade, aiding alignment with the group's strategic priorities at all levels.  A multi-channel communications strategy keeps people informed and supports line managers to deliver.	Permanent adoption of group agile working policy, allowing most workers to work from home for up to 50% of their scheduled workdays.  Launch of enhanced employee benefits package, including the Global Employee Assistance Programme and a comprehensive review of leave policies covering sickness, parental and other forms of leave (including a "holiday purchase scheme" for additional annual leave).  Executive Team roadshows to share information and celebrate successes.  Internal learning and development content creation.
<b>Debt providers and banking partners</b>	By providing funds for the group's working capital and general corporate purposes, our debt providers play an important role in our business.	Provision of annual budgets and monthly actual financial information to banking providers, annual senior management team presentation to lenders.	Extension of (undrawn) RCF to provide continued liquidity.  Robust new centre and investment case appraisal process, focusing on capital allocation and cash flows – decision not to participate in several tenders with unsuitable risk profiles.

### Principal risks and uncertainties

In common with other businesses of a similar nature, the group of which the company is a member is exposed to a variety of risks and uncertainties. The directors believe the principal risks are:

- impact of changes in immigration policies and visa application processes;
- global reduction in international movement of students;
- adverse movements in interest and exchange rates; and,
- significant disruption in the trading ability of the group due to one-off global disasters.

The policies and procedures in place to monitor and manage these risks include:

- investing and operating in more than one country to disaggregate the geographical, political and currency risks;
- operating business in a number of different but related market segments; and,
- employing staff, consultants and professional advisers with appropriate competences to mitigate both current and emerging business risks.

### Financial risk management objectives and policies

The company's financial risk management policies and objectives are integrated into those of the group. The group uses various financial instruments including bank loans, loan notes, intra group loans and trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is working capital for the group's operations, and finance for capital investment.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk, foreign exchange risk, price risk and credit risk. The directors review and agree policies for managing each of these risks and, as they relate to the company, they are summarised below.

#### Interest rate risk

The group finances its operations through a mixture of equity, bank borrowings, loan notes and intra group loans. The group's exposure to interest rate fluctuations on its borrowing is limited and is managed by the use of interest-rate swap arrangements when the exposure is considered significant.

#### Liquidity risk

The group seeks to manage financial risk by preparing detailed cash flow forecasts and ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by a group bank lending facility.

#### Foreign exchange risk

The company operates in the United Kingdom and prices its services in pounds sterling, however some costs are incurred in foreign currencies and so the company has limited exposure to foreign currency transactional risk on such costs and any balances outstanding.

#### Price and credit risk

The company itself is not directly exposed to price or credit risk.

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



D Johnston  
Director

20 April 2023

## Directors' report

The directors present their report and the unaudited financial statements of the company for the year ended 31 August 2022.

### Results and dividends

The profit for the financial year amounted to £323,000 (2021: £563,000). No dividends were paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend (2021: £nil).

Future developments and principal risks and uncertainties are discussed in the strategic report on pages 3 to 6. Directors' duties under section 172 of the Companies Act 2006 are also described in the strategic report and are not included in this directors' report.

### Directors

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

D Johnston  
B Webb

### Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### Employee involvement

Through regular meetings and other internal communications, the company keeps employees informed of and consulted on matters affecting them as employees and of the financial and economic factors affecting the performance of the company. Where relevant and appropriate, employees are eligible for performance related remuneration based on the achievement of personal and corporate objectives.

### Development expenditure

Development costs that are directly attributable to the design and testing of certain identifiable software products controlled by the company are recognised as intangible assets.

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

**Statement of directors' responsibilities (continued)**

In preparing the 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 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 year ended 31 August 2022. An intermediate parent company, Camelot Holdco Limited, has given a statement of guarantee under section 479C of the Companies Act 2006, whereby Camelot Holdco Limited will guarantee all outstanding liabilities to which the company is subject as at 31 August 2022.

On behalf of the board



D Johnston  
Director  
30 April 2023



## Income statement

For the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
<b>Revenue</b>	6	<b>9,356</b>	9,337
Administrative expenses		<b>(8,910)</b>	(8,640)
<b>Profit before taxation</b>	7	<b>446</b>	697
Tax charge on profit	10	<b>(123)</b>	(134)
<b>Profit for the financial year</b>		<b>323</b>	563

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

## Statement of comprehensive income

For the year ended 31 August 2022

	2022 £'000	2021 £'000
Profit for the financial year	<b>323</b>	563
<b>Total comprehensive income for the year</b>	<b>323</b>	563

The accompanying notes form part of these financial statements.

## Statement of financial position

As at 31 August 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	11	871	907
Tangible assets	12	982	904
		<u>1,853</u>	<u>1,811</u>
<b>Current assets</b>			
Debtors	14	235,369	234,318
Cash at bank and in hand		96	669
		<u>235,465</u>	<u>234,987</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(8,646)</u>	<u>(8,414)</u>
<b>Net current assets</b>		<u>226,819</u>	<u>226,573</u>
<b>Total assets less current liabilities</b>		<b>228,672</b>	<b>228,384</b>
<b>Provision for other liabilities</b>	17	-	(35)
<b>Net assets</b>		<u><b>228,672</b></u>	<u><b>228,349</b></u>
<b>Capital and reserves</b>			
Called-up share capital	18	-	-
Retained earnings		<u>228,672</u>	<u>228,349</u>
<b>Total equity</b>		<u><b>228,672</b></u>	<u><b>228,349</b></u>

The members have not required the company to obtain an audit for the financial year 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 on pages 9 to 22 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: 06355644

The accompanying notes form part of these financial statements.

## Statement of changes in equity

For the year ended 31 August 2022

	<b>Called-up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>At 1 September 2020</b>	-	227,786	227,786
Profit for the financial year	-	563	563
Total comprehensive income for the year	-	563	563
<b>At 31 August 2021</b>	-	228,349	228,349
Profit for the financial year	-	323	323
Total comprehensive income for the year	-	323	323
<b>At 31 August 2022</b>	-	228,672	228,672

The accompanying notes form part of these financial statements.

## Notes to the financial statements

### 1 General information

CEG Administrative Services 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 is 51-53 Hills Road, Cambridge, CB2 1NT. The principal activity of the company is the provision of administrative services to group companies.

### 2 Statement of compliance

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

### 3 Summary of significant accounting policies

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

#### a) Basis of preparation

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

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

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

#### b) Going concern

The group containing the company meets its day-to-day working capital requirements through its banking facilities and cash held. The company itself does not have access to borrowing facilities but does maintain cash balances which are sufficient to meet its present requirements for working capital. The directors have prepared both detailed budgets and long term forecasts for the company and group, taking account of 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 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) Consolidated financial statements

The company is a wholly-owned subsidiary of Camelot Topco Limited. It is included in the consolidated financial statements prepared by that company which are publicly available. Therefore, by virtue of section 400 of the Companies Act 2006, the company is exempt from the requirement to prepare consolidated financial statements. These financial statements are therefore for the company only.

#### d) Foreign currency translation

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)

#### e) Revenue

Revenue is generated from the provision of administrative services to group companies and is recognised as the performance of those services occurs.

#### f) Employee benefits

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

The company operates a number of annual bonus plans for employees. An expense is recognised in the income statement when the group has a legal or constructive obligation to make payments under the plans 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.

#### g) Operating leases

The company leases various assets under operating leases. Operating leases are arrangements where substantially all of the benefits and risks of ownership remain with the lessor. Rentals are charged to profit or loss on a straight line basis over the period of the lease.

Incentives received to enter into an operating lease are released to profit or loss on a straight-line basis over the whole life of the lease.

#### h) 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.

#### i) 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 lives which range from 3 to 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.

#### **j) 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.

#### **k) Investments**

Investments in subsidiaries are valued at cost less accumulated impairment.

#### **l) Impairment of fixed assets and investments**

Fixed assets and investments 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.

### **3 Summary of significant accounting policies (continued)**

#### **m) Financial instruments**

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.

#### **n) Contingent liabilities**

Contingent liabilities arise as a result of past events where it is either not probable that there will be an outflow of resources or the amount cannot be reliably measured or where the existence or otherwise of an obligation can only be determined by the outcome of uncertain future events that are not wholly within the company's control.

Contingent liabilities are not recognised but are disclosed in the financial statements unless the probability of an outflow of resources is remote.

#### **o) 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.

#### **p) Reserves**

The company's reserve represents 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 and investments**

The company considers whether its intangible assets and investments are impaired. These estimates are based on a variety of factors such as the expected use of an asset, the expected useful life of cash generating units, 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 values of intangible assets and of investments are given in notes 11 and 13 respectively.

## 5 Disclosure exemptions

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- from presenting a statement of cash flows and net debt reconciliation; and
- from the financial instrument disclosures as the information is provided in the consolidated financial statement disclosures of the group in which the company is consolidated.

## 6 Revenue

Revenue and profit before taxation are attributable to the principal activity of the company and all revenues arise within the United Kingdom.

## 7 Profit before taxation

The profit before taxation is stated after charging:

	2022	2021
	£'000	£'000
Amortisation of intangible assets	250	467
Depreciation of tangible assets	454	190
Operating lease costs	391	413
Net loss on foreign currency translation	2	6

## 8 Employees

	2022	2021
	No.	No.
The average number of persons employed was:	<u>63</u>	<u>74</u>
The aggregate payroll costs of employees were:		
	2022	2021
	£'000	£'000
Wages and salaries	4,084	4,398
Social security costs	459	381
Other pension costs	318	200
	<u>4,861</u>	<u>4,979</u>
Amounts capitalised to intangible assets (software)	(128)	-
Charge to income statement	<u>4,733</u>	<u>4,979</u>



## 9 Directors and key management

Remuneration in respect of directors was as follows:

	2022 £'000	2021 £'000
Emoluments receivable	642	918
Pension contributions	1	1
	<u>643</u>	<u>919</u>

One director accrued benefits under a defined contribution pension scheme (2021: one).

Emoluments of the highest paid director were £274,000 (2021: £410,000) and pension contributions were £nil (2021: £nil).

Remuneration in respect of key management, comprising the directors and other senior management, who together have authority and responsibility for planning, directing and controlling the activities of the company was as follows:

	2022 £'000	2021 £'000
Salaries and other short term benefits	965	1,309
Pension contributions	4	3
	<u>969</u>	<u>1,312</u>

## 10 Taxation on profit

(a) Tax charge included in the income statement

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax charge based on the profit for the year at 19% (2021: 19%)	142	335
Overseas tax	2	-
Adjustment in respect of prior periods	(303)	(75)
Total current tax (credit)/charge	<u>(159)</u>	<u>260</u>
Deferred tax:		
Origination and reversal of timing differences	17	(67)
Adjustment in respect of prior periods	265	100
Impact of rate change	-	(159)
Total deferred tax charge/(credit)	<u>282</u>	<u>(126)</u>
Tax charge	<u>123</u>	<u>134</u>

## 11 Taxation on profit (continued)

(b) Factors affecting tax charge

The tax charge assessed on the profit for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £'000	2021 £'000
Profit before taxation	<u>446</u>	<u>697</u>
Profit before taxation multiplied by rate of tax	85	132
Expenses not deductible for tax purposes	76	127
Adjustments in respect of prior years	(38)	25
Impact of rate change	-	(159)
Other	-	9
Tax charge for the year	<u>123</u>	<u>134</u>

## 12 Intangible assets

	Software £'000
Cost:	
At 1 September 2021	2,770
Additions	214
At 31 August 2022	<u>2,984</u>
Accumulated amortisation:	
At 1 September 2021	1,863
Charge for the year	250
At 31 August 2022	<u>2,113</u>
Net book value:	
At 31 August 2022	<u>871</u>
At 31 August 2021	<u>907</u>

### 13 Tangible assets

	Fixtures, fittings, furniture & equipment £'000
Cost:	
At 1 September 2021	1,840
Additions	532
At 31 August 2022	<u>2,372</u>
Accumulated depreciation:	
At 1 September 2021	936
Charge for the year	454
At 31 August 2022	<u>1,390</u>
Net book value:	
At 31 August 2022	<u>982</u>
At 31 August 2021	<u>904</u>

### 14 Investments

	£'000
Cost:	
At 1 September 2021 and 31 August 2022	1,000
Impairment:	
At 1 September 2021 and 31 August 2022	(1,000)
Net book value:	
At 31 August 2022	<u>-</u>
At 31 August 2021	<u>-</u>

Investments are the subsidiary undertakings listed in note 21.

**15 Debtors**

	2022	2021
	£'000	£'000
Amounts owed by group undertakings	233,140	232,757
Deferred taxation	449	731
Other debtors	1,059	16
Prepayments and accrued income	721	814
	<u>235,369</u>	<u>234,318</u>

All group balances at 31 August 2022 are interest-free, unsecured, have no fixed date of repayment and are repayable on demand.

The deferred tax asset is the tax effect of timing differences between depreciation and tax allowances on tangible assets. During the year £282,000 was charged to the income statement (2021: £126,000 credit) and it is anticipated that no charge will be made in the next financial year.

**16 Creditors: amounts falling due within one year**

	2022	2021
	£'000	£'000
Trade creditors	323	496
Amounts owed to group undertakings	6,868	6,294
Other taxation and social security	167	435
Accruals and deferred income	1,230	1,189
Other creditors	58	-
	<u>8,646</u>	<u>8,414</u>

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

**17 Post-employment benefits**

The company operates a defined contribution pension arrangement for the benefit of its employees. The amount recognised as an expense for this arrangement was £318,000 (2021: £200,000).

## 18 Provision for other liabilities

	Litigation £'000
At 1 September 2021	35
Amounts utilised	(10)
Unused amounts reversed to the income statement	(25)
At 31 August 2022	<u>-</u>

## 19 Called up share capital

Allotted, called up and fully paid:

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## 20 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.

## 21 Contingent liabilities

The company is a co-guarantor of the bank loan of an intermediate parent undertaking, Camelot Bidco Limited. At 31 August 2022 this amounted to £15,000,000 (2021: £15,000,000).

## 22 List of subsidiary undertakings

At 31 August 2022 the company had the following directly-held subsidiary undertakings:

Subsidiary undertakings	Registered office	Nature of business	Interest
Cambridge Education Group Hong Kong Limited	i.	Provision of administrative services for group companies	100% ordinary shares
Cambridge Education Group Consulting (Shanghai) Limited	ii.	Provision of administrative services for group companies	100% ordinary shares

Registered office:

- i. Suites 3005-6, 30/F Tower 2, The Gateway, Harbour City, Kowloon, Hong Kong
- ii. Room 408, Building 2, No. 215 Yaohua Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, People's Republic of China

## **23 Ultimate controlling party**

The immediate parent company is Cambridge Education Group Limited.

Camelot Holdco 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 ultimate parent company and 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.