Registered number: 06647488

SAE EDUCATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SAE EDUCATION LIMITED

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The following pages do not form part of the statutory financial statements:

COMPANY INFORMATION

Directors	S A Davies D W H Hedges N S Lucas K K S Sandhu
Company secretary	Pennsec Limited
Registered number	06647488
Registered office	SAE Institute Georgia House 38 Pall Mall Liverpool England L3 6AL
Independent auditors	Deloitte LLP Abbots House Abbey Street Reading Berkshire RG1 3BD United Kingdom

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022

Introduction

The directors present their Strategic Report for the year ended 30 June 2022.

Key performance indicators and strategic review of business

During the year turnover increased by 3% from £5,468,439 to £5,631,291. The increase is a result of an increase in student numbers from 617 students in the year ending 30 June 2021 to 641 students in the year ending 30 June 2022. During the year, the Oxford campus has been delivering its final programmes pending its closure on 30 September 2022. The directors are confident student numbers will continue to improve, despite the closure of the Oxford campus, with the return of on Campus teaching since the lifting of COVID-19 pandemic restrictions, balanced with improved online learning environments initially brought in to adapt to social distancing measures. There was a loss for the year after tax of £599,483 (2021: £1,761,463).

The Company received the Office for Students (OfS) Learning and Teaching recurrent grant £1,039,685 (2021: £1,132,572) and capital grant £30,000 (2021: £64,323) in the year. The grants have allowed the Company to invest in increased Campus Support Technicians, Student Experience Officers, Teachers, equipment, and initiatives to enhance the delivery and quality of teaching.

On 30 June 2022 SAE Education Limited was sold to the AD Education Group (owned by the Myrrah SAS Group) as part of the acquisition of the European operations of SAE Institute. AD Education is a leading private higher education provider for creative professions in Europe and was founded in France in 2009. AD Education are committed to student experience, investing and growing SAE Education Limited's student offerings.

The key performance indicators have been identified as student volumes, turnover, gross margin, and regulatory compliance. Turnover and gross margin are discussed in the strategic review above.

Principal risks and uncertainties

United Kingdom exit from the EU risk
The United Kingdom's exit from the European Union has impacted the access to student funding for European students. In response, the Company has shifted focus to domestic students and transitional pricing for European students.

Trade Sanctions
The Company adheres to additional screening processes for countries where there are trade sanctions. The cost of living crisis and inflation caused by the invasion of Ukraine by Russia is a risk to the Company through increased costs and fewer students enrolling.

Changes in Government Policy
The Company takes an active interest in changes in political policy impacting the United Kingdom. The increasing interest rates as a result of economic policy will require the Company to rely upon support from the Myrrah SAS Group.

Section 172(1) statement

The board of directors of SAE Education Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regards to the stakeholder and matters set out in s172(1)'(a-f) of the Companies Act 2006) in the decisions taken during the year ended 30 June 2022.

In particular, by reference to the approval of our business plan ('our plan') for the period of 2020-25, supported by the board assurance statement accompanying our plan:

• Our plan was designed to have a long-term beneficial impact on the Company and to contribute to its success *in creating life-changing opportunities for learners to realise their education and career ambitions.*

• Our employees are fundamental to the delivery of our plan. Whether they are teachers; at the forefront of learning and teaching practices or in an enabling role, they help gain experience and obtain qualifications that will enable them to enter the creative media industries. We are committed to promoting wellness throughout the organization and ensuring the health and safety of everyone who works for us. SAE Education Limited aims to be a responsible employer in our approach to the pay and benefits our employees receive

• Our duty, in accordance with the Office for Students, is to ensure that all students from all backgrounds are supported, receive a high quality academic experience and their interests are protected. All students receive value for money and can progress into employment, further study and their qualification hold their value over time.

• As the Board of Directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan.

• As the Board of Directors, our intention is to behave responsibly toward our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

Please see the Governance statement on page 8 for more detail SAE Education Limited's commitment to the highest standards of governance and probity.

Future development

The directors expect the Company to continue to improve student numbers and increase revenue and overall profitability.

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

....	....
S A Davies	**D W H Hedges**
Director	Director

Date: 30/11/2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their annual report and the financial statements for the year ended 30 June 2022.

The future developments can be found in the Strategic Report and form part of this report by cross-reference.

Principal activity

The principal activity of the Company in the year under review was that of provision of educational courses teaching audio engineering, digital film making and creative media design skills.

Going Concern

The directors have acknowledged the latest guidance regarding going concern. The directors have considered the net current liability position of £18,601,920 (2021: £17,897,255) and the loss incurred in the year of £599,483 (2021: £1,761,463).

On 30 June 2022 SAE Education Limited was sold to the Myrrha SAS Group as part of the acquisition of the European operations of SAE Institute. The Myrrha SAS Group has considerable financial resources and has expressed willingness to support the Company for the foreseeable future, and in particular for a period of at least twelve months from the date of approval of these financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Directors

The directors who served during the year and to the date of this report were as follows:

J Coffin (resigned 30 June 2022)
S A Davies
D W H Hedges
N S Lucas
K K S Sandhu

Qualifying third party indemnity provisions

The Company has no qualifying third-party indemnity provisions for the benefit of its directors, which were made during the year or remain in force at the date of this report.

Principal risks and uncertainties

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Cash flow risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity Risk
In order to maintain liquidity to ensure the sufficient funds are available for ongoing operations and future developments, the Company uses Group intercompany debt pooling facility.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Dividends

The directors do not recommend the payment of a dividend during the year and up to the date of this report (2021: £nil).

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company is a medium sized entity, as such has taken the exemption from the full reporting on greenhouse emissions as permitted by the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

Charitable donations and political contributions

During the year the Company made no charitable or political donations (2021: £nil).

Future developments

The Company actively looks to expand student offerings through new campuses and courses.

Post balance sheet events

There are no post balance sheet events to report.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

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

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

S A Davies
Director

Date: 30/11/2022

D W H Hedges
Director

Date: 30/11/2022

SAE Institute Georgia House
38 Pall Mall
Liverpool
England
L3 6AL

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

SAE Education Limited (SAE UK) is committed to the highest standards of governance and probity to remain in line with monitoring and compliance requirements of the Office for Student's (OfS's) accounts direction

SAE UK's Board of Directors (the Board) is unambiguously responsible for the affairs of SAE and corporate governance reporting. It works with the General Manager and the Executive Leadership Team (ELT) of SAE UK to identify and set priorities, manage risk and maintain financial sustainability. The Board's decision is final, however the Board works with Myrrha Group the ultimate parent company of SAE UK to determine the final budget and strategic plan. A protocol for approving the budget and strategic plan is in place.

The Board has adopted the Higher Education Code of Governance (2020) and adheres to public interest principles. There are aspects that do not apply to SAE UK, and these have been explained, and alternative mechanisms of suitable governance have been put in place after an extensive review against the Code ensuring adequacy and effectiveness. This review has been documented and is available to view.

The Board has delegated some responsibilities to the ELT which has representation from each campus through the Campus directors which ensures cohesiveness in the management and oversight of SAE UK. The ELT is also of sufficient size as it currently comprises 10 members. SAE UK will want to ensure that the membership does not become too large as this will reduce the quality of the debate and oversight. Currently, the membership is appropriate and provides adequate and effective arrangements for risk management and oversight of regulatory responsibilities.

Academic governance has been long established with the Academic Board at the apex, chaired by an external member. It is supported by two sub-committees, the Learning and Teaching Committe and the Academic Standards and Quality Assurance (ASQA) committee. A new protocol has been established for the UK Board of Directors to engage with the Academic Board to ensure academic experience. This is via an Annual Report from the Academic Board to the UK Board of Directors in the first instance, and through informal engagement between the two bodies, particularly the Chairs.

A single institutional strategic plan and unified codes of practices and policies ensure consistency and equivalency across the campuses. A number of internal controls to ensure that responsibilities are being discharged effectively. This includes clear designation of responsibilities, medium- and long-term planning, risk register protocols, and other processes. External audit is carried out by Deloitte. The Audit and Risk Committee was established in 2018 and meets quarterly to assess risk and internal control. Three meetings were held in the financial year due to additional workload associated with the sale of the business as referenced in the Strategic Report on page 2.

STATEMENT ON INTERNAL CONTROLS
FOR THE YEAR ENDED 30 JUNE 2022

Scope of Responsibility
The Board of Directors, as the governing body of SAE UK, acknowledges that it has a responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the Regulatory Advice 9: Accounts Direction published by the Office for Students.

Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Office for Students has been in place in SAE UK for the year ended 30 June 2022 (FY22) and up to the date of approval of the financial statements.

Capacity to Handle Risk
SAE UK has an Audit and Risk Committee (ARC) comprising four members and non-members with financial and audit expertise, one of whom is the Chair.

The organisation has developed a Risk Management Policy and Framework, which sets out its risk appetite and details the roles and responsibilities of staff in relation to this risk.

Risk and Control Framework
SAE UK has implemented a risk management system, which identifies and reports key risks and the management actions being taken to address and mitigate those risks.

There is a risk register in place, which identify the key risks facing the organisation, and these have been identified, evaluated, and graded according to their significance and likelihood. The risk register, comprising of business, operational, compliance and financial risk, is reviewed at each ARC. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

Ongoing Monitoring and Review
Formal procedures have been established for monitoring control process to ensure risks are managed and identified in line with SAE's objectives. The Executive Leadership Team (ELT) of SAE UK has oversight of embedding risk assessments and internal controls in ongoing operations.

Control deficiencies are communicated to those responsible for taking corrective action as well as being reported to the Board of Directors through the Audit and Risk Committee at quarterly meetings.

Review of Effectiveness
SAE has procedures in place to monitor the effectiveness of its risk management and control procedures. This review is informed by the work of the internal audit, the Audit and Risk Committee which oversees their work and the senior management within SAE UK who are responsible for the development and maintenance of the internal control framework.

Internal Control Issues
No significant internal control weaknesses were identified by Management in relation to the year ending 30 June 2022 that require disclosure in the financial statements.

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 30 JUNE 2022

SAE Education Limited can confirm that no instances of irregularity, impropriety, bribery, or funding non-compliance have been discovered to date. If any instances are identified subsequently, these will be notified to the Board, Group, and the Office for Students accordingly.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAE EDUCATION LIMITED

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of SAE Education Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We obtained an understanding of the legal and regulatory framework[s] that the company operates in, and identified the key laws and regulations that:

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud around the timing of revenue recognition (cut-off), and have executed the following specific procedures to address this risk:

- assessed the design and implementation of relevant controls; and
- performed substantive tests of detail, using a heightened sample size, and substantive analytical procedures to confirm the recognition of revenue in the correct period;

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Office for Students (OfS), "Regulatory Advice 9: Accounts Direction"
In our opinion, in all material respects, based on the work undertaken in the course of the audit:

- funds from whatever source administered by the Company for specific purposes have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

We have nothing to report in respect of these matters.

Matters on which we are required to report by exception
Under the Office for Students (OfS), "Regulatory Advice 9: Accounts Direction" we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in the note 5 to the accounts, has been materially misstated; or
- the provider's expenditure on access and participation activities for the financial year, as disclosed in the note 10 to the accounts, has been materially misstated.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Hornby

Andrew Hornby FCA (Senior statutory auditor)

for and on behalf of

Deloitte LLP

Statutory Auditor
Reading, United Kingdom

Date: 30 November 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	*2021* *£*
Turnover	4	**5,631,291**	*5,468,439*
Cost of sales		**(38,863)**	*(119,354)*
Gross profit		**5,592,428**	*5,349,085*
Administrative expenses		**(8,158,673)**	*(8,618,651)*
Other operating income	5	**2,633,855**	*1,957,920*
Operating profit/(loss)	6	**67,610**	*(1,311,646)*
Interest receivable and similar income	11	**-**	*7,435*
Interest payable and similar expenses	12	**(667,093)**	*(457,252)*
Loss before taxation		**(599,483)**	*(1,761,463)*
Loss for the financial year		**(599,483)**	*(1,761,463)*
Other comprehensive income:			
Total comprehensive expense for the year		**(599,483)**	*(1,761,463)*

All results are derived from continuing operations.

The notes on pages 19 to 42 form part of these financial statements.

SAE EDUCATION LIMITED
REGISTERED NUMBER:06647488

BALANCE SHEET
AS AT 30 JUNE 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	14		**2,144,163**		*3,256,271*
			2,144,163		*3,256,271*
Current assets					
Debtors	15	**795,946**		*606,307*	
Cash at bank and in hand		**759,956**		*1,641,595*	
		1,555,902		*2,247,902*	
Creditors: amounts falling due within one year	16	**(20,157,822)**		*(20,145,157)*	
Net current liabilities			**(18,601,920)**		*(17,897,255)*
Total assets less current liabilities			**(16,457,757)**		*(14,640,984)*
Creditors: amounts falling due after more than one year	17		**(769,649)**		*(1,535,739)*
			(17,227,406)		*(16,176,723)*
Provisions for liabilities	20	**(1,424,760)**		*(1,875,960)*	
			(1,424,760)		*(1,875,960)*
Net liabilities			**(18,652,166)**		*(18,052,683)*
Capital and reserves					
Profit and loss account			**(18,652,166)**		*(18,052,683)*
			(18,652,166)		*(18,052,683)*

The financial statements of SAE Education Limited (registered number: 06647488) were approved by the Board of Directors and authorised for issue on 30/11/2022 . They were signed on its behalf by:

Steffi A Davies
....
S A Davies
Director

The notes on pages 19 to 42 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Profit and loss account	Total equity
	£	£
At 1 July 2020	**(16,291,220)**	**(16,291,220)**
Total comprehensive expense	**(1,761,463)**	**(1,761,463)**
Balance at 30 June 2021	**(18,052,683)**	**(18,052,683)**
Total comprehensive expense	**(599,483)**	**(599,483)**
At 30 June 2022	**(18,652,166)**	**(18,652,166)**

The notes on pages 19 to 42 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	*As restated** *2021* *£*
Cash flows from operating activities			
Cash generated from operations *	21	**521,547**	*1,382,756*
Interest paid *	12	**-**	*-*
Interest received	11	**-**	*7,435*
Net cash (used in)/generated from operating activities		**521,547**	*1,390,191*
Cash flows from investing activities			
Purchase of tangible fixed assets	14	**(54,437)**	*(101,017)*
Grant towards fixed asset	5	**30,000**	*64,323*
Net cash used in investing activities		**(24,437)**	*(36,694)*
Cash flows from financing activities			
Repayment of lease liability	18	**(1,378,749)**	*(1,252,087)*
Net cash used in financing activities		**(1,378,749)**	*(1,252,087)*
Net (decrease)/increase in cash and cash equivalents		**(881,639)**	*101,410*
Cash and cash equivalents at beginning of year		**1,641,595**	*1,540,185*
Cash and cash equivalents at the end of year		**759,956**	*1,641,595*
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		**759,956**	*1,641,595*
		759,956	*1,641,595*

The notes on pages 19 to 42 form part of these financial statements.

*In prior year statement of cash flows, interest paid amounted to £377,546. This relates to the interest charged on the amount owed to group undertakings. However, there was no outflow of cash for this interest payable. As a result, the line items 'interest paid', 'cash generated from operations' in the statement of cash flows and 'Increase in trade and other creditors' in note 21 have been overstated by £377,546, leading to a prior period error. The error has been corrected by restating these line items.

The error had no impact on the balance sheet, statement of comprehensive income, statement of changes in equity and cash flows from investing and financing activities in the statement of cash flows.

1. General information

SAE Education Limited is a private company, limited by guarantee, incorporated in the United Kingdom under the Companies Act 2006 as is registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The Company's principal activities are set out on page 4.

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.

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 have been prepared in line with the OfS's Accounts Direction (OfS 2019.41) alongside the OfS's regulatory framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, capital management, presentation of comparative information in respect of certain assets, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets and certain related party transactions.

The following principal accounting policies have been applied:

2.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report on page 4. The Company is expected to continue in existence for the next 12 months.

On 30 June 2022 SAE Education Limited was sold to the Myrrha SAS Group as part of the acquisition of the European operations of SAE Institute. The Myrrha SAS Group has considerable financial resources and has expressed willingness to support the Company for the foreseeable future, and in particular for a period of at least twelve months from the date of approval of these financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

2. Accounting policies (continued)

2.3 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company separates the lease and non-lease components of the contract and accounts for these separately. The consideration in the contract is then allocated to each component on the basis of their relative stand-alone prices. The Company leases premises for tuition and related services. The lease terms vary significantly and can include escalation clauses, renewal options and termination rights. Escalation clauses vary between fixed rate, inflation-linked, market rent and combination reviews.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Right-of-use assets
Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment, assessed in accordance with the Company's impairment policy.

Lease liabilities
Lease liabilities are recognised by the Company at the commencement date of the lease. Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or rate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments).

2. Accounting policies (continued)

Extension options are included in a number of leases. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Lease of low-value assets
The Company does not recognise right-of-use assets and lease liabilities for low-value assets comprising of IT equipment and small items of office furniture and equipment. Lease payments on leases of low-value assets are recognised as expensed on a straight-line basis over the lease term.

2.4 Turnover

Turnover representing tuition fees earned and ancillary income from students is recognised in line with the satisfaction of performance obligations, which for the Company means the provision of classes to students over the term of the course and is stated net of VAT.

For each distinct performance obligation, or bundle of performance obligations, the Company allocates the price, as determined by the terms and conditions of the student offer letter, based on the tuition fees for the academic year.

The Company's primary performance obligations is the delivery of tuition services. The Company has concluded that these should be recognised over time based on the stage of completion of the service being delivered to the customer. The stage of completion is measured by reference to the number of semester days held as a percentage of the total number of semester days in the course.

The Company's other performance obligations are recognised either over time, on a stage of completion basis, or at the point in time the service, or good, is sold. This determination is made on a case by case basis for each performance obligation based on the point at which control of the good or service completely passes to the customer.

When payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of Creditors: Amounts falling due within one year. Turnover is then recognised as outlined above.

All turnover arises within the United Kingdom from the single principal activity.

Deferred income

Deferred income represents a contract liability that arises as a result of upfront tuitions paid by or invoices issued to students before educational services are performed. When the invoices are issued to students or cash is paid by the student for tuition fees, the transaction price received is recognised as a contract liability until the services have been delivered to the customer. Refundable fees and charges are deducted when in accordance with the contractual agreements the right to return consideration has been achieved.

Revenue from tuition fees is recognised across the period of the semester as a proportion of the total semester days. All other revenue is recognised when charged to the students.

2. Accounting policies (continued)

2.5 Office for Students learning and teaching recurrent grant

The Office for Students revenue grant is recognised in full on a performance level as the Company complies and meets the criteria of the conditions of the grant. The Office for Students capital grant is recognised as deferred income and unwound against the life of the assets.

2.6 Office for Students capital grant

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance Sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

2.7 Management fee income

Management fee represents income from the parent company and is recognised over the time the services are provided Management fee includes income generated based on work performed by employees of the Company on behalf of the Group.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.11 Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Furniture and equipment - 20% to 25% per annum straight line
Leasehold improvements - 10% per annum straight line

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Accounting policies (continued)

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets held by the Company are classified as 'loans and trade receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Recognition and measurement
Amortised cost and effective interest method The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest

2. Accounting policies (continued)

income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'interest receivable and similar income' line item.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

• an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
• significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

2. Accounting policies (continued)

• existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
• an actual or expected significant deterioration in the operating results of the debtor;
• significant increases in credit risk on other financial instruments of the same debtor; and
• an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default
The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

• when there is a breach of financial covenants by the debtor; or
• information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

2. Accounting policies (continued)

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy
The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2. Accounting policies (continued)

Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2. Accounting policies (continued)

2.14 Taxation

The tax charge represents the sum of current and deferred taxes. Current tax payable or recoverable is based on the taxable profit of the period. Taxable profit differs from profit reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is based on the results shown in the financial statements and is calculated using the UK rate and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies
The directors do not consider there to be any critical judgements surrounding the application of the Company's accounting policies.

Key sources of estimation uncertainty
The directors do not consider there to be any key sources of estimation uncertainty.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	*2021 £*
Tuition fees earned	**5,631,291**	*5,438,856*
Ancillary income from students	**-**	*29,583*
	5,631,291	*5,468,439*

Analysis of turnover by country of destination:

	2022 £	*2021 £*
United Kingdom	**5,631,291**	*5,468,439*
	5,631,291	*5,468,439*

The amount of revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the year end is £1,765,314.

5. Other operating income

	2022 £	*2021 £*
OfS learning and teaching recurrent grant	**1,039,685**	*1,132,572*
OfS capital grant	**28,647**	*17,787*
Furlough income	**-**	*94,304*
Management fee	**1,565,523**	*713,257*
	2,633,855	*1,957,920*

Management fee includes income generated based on work performed by employees of the Company on behalf of the Group.

The Office for Students (OfS) learning and teaching recurrent grant for the year was £1,039,685 (2021: £1,132,572). The capital grant received was £30,000 (2021: £64,323), the revenue is released in line with the depreciation of assets purchased with the grant totaling £28,647 for the year ended 30 June 2022 (2021: £17,787).

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £	*2021* *£*
Other operating income	**(2,633,855)**	*(1,957,920)*
Make good provision decrease	**451,200**	*-*
Depreciation of right of use asset	**1,048,328**	*1,028,870*
Depreciation of owned assets	**262,468**	*363,671*
Bad debts (reversal)/expense	**(321,526)**	*368,609*
Other operating leases	**6,654**	*2,618*

7. Auditors' remuneration

	2022 £	*2021* *£*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**14,400**	*42,000*

8. Employees

	2022 £	*2021* *£*
Wages and salaries	**3,891,775**	*3,472,723*
Social security costs	**371,913**	*323,228*
Other pension costs	**213,167**	*212,992*
	4,476,855	*4,008,943*

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	*2021* *No.*
Employees	**142**	*129*

Additional remuneration disclosures:	**2022**	*2021*
Senior staff pay		
Basic salary per annum		
£100,000-£104,999	**1**	-
£110,000-£114,999	-	*1*
£115,000-£119,999	**1**	-

Total remuneration for the Head Provider	**2022**	*2021*
Basic salary	**100,000**	*91,176*
Payment of dividends	-	-
Performance related pay	**26,850**	*17,017*
Pension contributions	**3,522**	*3,506*
Payments in lieu of pension contributions	-	-
Salary sacrafice	**2,201**	*2,192*
Compensation for loss of office	-	-
Other taxable benefits	-	-
Non taxable benefits	-	-
Other remuneration	-	-

Justification for the total remuneration package
The performance of the Head of Provider is based on Board of Director appraisal, Group Company Leadership Incentive Plan Scorecard, National Student Survey results, non-continuation rate and student recruitment KPIs. The Head of Provider's performance has been assessed as being outstanding, particularly with regards to his impact on student experience, student recruitment and financial controls.

Ratios	**2022**	*2021*
Basic salary ratio	**3.33**	*3.22*
Total remuneration ration	**4.10**	*3.75*

Shared resources have not been included as part of this disclosure as we are not able to quantify the full time equivalent of the resource to SAE Education Limited as they are not direct employees of SAE Education Limited.

The senior staff banding includes a director of SAE Education Limited who is not the Head of Provider but works across the Group, including SAE Education Limited, who is located in Oxford. At the end of the year, the director left the Group but is still appointed on the Board of SAE Education Limited in an advisory capacity. Severance was made and is included within the severance disclosure below, but relates to their contribution across the wider Group and was funded by management recharges.

9. Directors' remuneration

	2022 £	*2021* *£*
Directors' emoluments	**347,783**	*240,376*
Company contributions to defined contribution pension schemes	**17,692**	*14,349*
	365,475	*254,725*

The highest paid director received remuneration of £219,733 (2021: £132,182)

One director, who remains as a director in an advisory capacity, left the Group and SAE Education Limited on 30 June 2022 and received severance payment. Two directors are external to SAE Education limited and therefore nil emoluments to disclose.

Severance pay of £87,101 (2021: £1,353) was paid to 4 employees during the year (2021:1).

10. Access and participation expenditure

	2022	*2021*
Access investment	**97,435**	*110,732*
Financial support provided to students	**148,080**	*92,950*
Research and evaluation	**31,200**	*30,000*
Total	**276,715**	*233,682*

Included in the above are staff costs of £97,435 which are also included in the overall staff costs detailed in Note 8.

Access and Participation Plan can be found here: https://www.sae.edu/gbr/access-and-participation-higher-education-sae.

11. Interest receivable

	2022 £	*2021* *£*
Interest receivable from group companies	-	*7,435*
	-	*7,435*

12. Interest payable and similar expenses

	2022	2021
	£	£
Interest on loans from group undertakings	579,597	377,546
Interest on lease liabilities	87,496	79,706
	667,093	457,252

13. Taxation

	2022	2021
	£	£
Current taxation		
Current tax on profits for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	-
Changes to tax rates	-	-
Total deferred tax expense	-	-
Total tax charge/(credit) on ordinary activities	-	-

13. Taxation (continued)

Factors affecting tax charge for the year

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

	2022 £	*2021* *£*
Loss on ordinary activities before tax	**(599,483)**	*(1,761,463)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(113,902)**	*(334,678)*
Effects of:		
Expenses not deductible for tax purposes	**21,231**	*23,092*
Amounts not recognised	**92,671**	*311,587*
Adjustment for the year	**-**	*(1)*
Total tax charge/(credit) on ordinary activities	**-**	*-*

Factors that may affect future tax charges

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% (2021 – 25%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK fiscal statement on 23 September 2022 included measures to target annual economic growth of 2.5%, encourage investment, higher wages and increased consumer spending. These measures included the cancellation of the planned increase in the corporation tax rate to 25%. However, on 14 October 2022 the cancellation of the planned increase in the corporation tax rate to 25% was reversed. Since the cancellation was not substantively enacted at the balance sheet date it has not been reflected in the measurement of deferred tax balances at the period end.

A deferred tax asset of £3,997,220 (2021: £3,871,762) has not been recognised in the year due to the uncertainty of the timing of future profits.

14. Tangible fixed assets

	Right of use asset: Buildings £	Leasehold improvement £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 2021	4,603,129	2,156,440	3,316,234	10,075,803
Impact of CPI adjustments	102,561	-	-	102,561
At 1 July 2021 (adjusted balance)	4,705,690	2,156,440	3,316,234	10,178,364
Additions	-	-	54,437	54,437
Impact of lease extension	43,585	-	-	43,585
Disposals	-	-	(2,069)	(2,069)
At 30 June 2022	4,749,275	2,156,440	3,368,602	10,274,317
Depreciation				
At 1 July 2021	2,004,693	1,828,916	2,985,923	6,819,532
Charge for the year on owned assets	-	105,244	159,117	264,361
Charge for the year on right-of-use assets	1,048,328	-	-	1,048,328
Disposals	-	-	(2,067)	(2,067)
At 30 June 2022	3,053,021	1,934,160	3,142,973	8,130,154
Net book value				
At 30 June 2022	1,696,254	222,280	225,629	2,144,163
At 30 June 2021	*2,598,436*	*327,524*	*330,311*	*3,256,271*

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2022 £	*2021 £*
Tangible fixed assets owned	447,909	*657,834*
Right-of-use tangible fixed assets	1,696,254	*2,598,437*
	2,144,163	*3,256,271*

14. Tangible fixed assets (continued)

Information about right-of-use assets is summarised below:

Net book value

	2022	2021
	£	£
Property	1,696,254	2,598,437
	1,696,254	2,598,437

Depreciation charge for the year ended

	2022	2021
	£	£
Property	1,048,328	1,028,870
	1,048,328	1,028,870

Additions to right-of-use assets

	2021
	£
Additions to right-of-use assets	2,106,356

The Company leases several assets including buildings and plant. The average lease term is 8.86 years (2021: 9.11 years).

At 30 June 2022, the Company is committed to £965,891 (2021: £1,389,464) for short-term leases.

15. Debtors

	2022	2021
	£	£
Trade debtors	591,333	307,879
Amounts owed by group undertakings	23,831	11,340
Other debtors	148,481	100,442
Prepayments and accrued income	32,301	186,646
	795,946	606,307

15. Debtors (continued)

The amounts owed by group undertakings are not secured and have a variable rate of interest. These amounts are payable on demand.

Trade debtors is shown net of expected credit losses recognised amounting to £372,586 (2021: £1,205,239).

16. Creditors: Amounts falling due within one year

	2022 £	*2021* *£*
Trade creditors	**214,874**	*191,372*
Amounts owed to group undertakings	**16,260,054**	*15,549,691*
Other taxation and social security	**122,561**	*93,505*
Lease liabilities	**965,891**	*1,389,464*
Other creditors	**36,972**	-
VAT	**5,920**	*126,753*
Deferred income	**1,765,314**	*1,959,220*
Accruals	**786,236**	*835,152*
	20,157,822	*20,145,157*

The amounts owed to group undertakings are not secured and have a variable rate of interest. These amounts are payable on demand, however the Company has sought letters of support and letters of comfort confirming that the Company will be supported and intercompany debt will not be called upon for at least 12 months from signing date (note 2).

Revenue recognised in the reporting period that was included in the deferred income balance at the beginning of the period was £905,685 (2021: £947,123).

Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price) was nil (2021: nil).

17. Creditors: Amounts falling due after more than one year

	2022 £	*2021* *£*
Lease liabilities	**769,649**	*1,535,739*
	769,649	*1,535,739*

18. Leases

Company as a lessee

Lease liabilities are due as follows:

	2022 £	2021 £
Not later than one year	**965,891**	*1,389,464*
Between one year and five years	**769,649**	*1,535,739*
	1,735,540	*2,925,203*

Analysis of lease liabilites:

	2022 £	2021 £
Not later than one year	**965,891**	*1,389,464*
Between one year and five years	**769,649**	*934,927*
Later than five years	**-**	*600,812*
	1,735,540	*2,925,203*

The total cash outflows for leases amount to £1,378,749 (2021: £1,252,087) (recognised as 'financing activities').

All lease payments during the year were fixed.

The total low value leases amount was £6,654 (2021: £2,618).

There are no extension or termination options on the lease.

19. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	**1,523,601**	*2,061,257*
Financial liabilities		
Other financial liabilities measured at amortised cost	**19,063,451**	*18,535,436*

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and amounts owing to group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, deferred income and accruals.

20. Provisions for liabilities

	Make good provision £
At 1 July 2021	1,875,960
Reversal in the year	(451,200)
At 30 June 2022	**1,424,760**

Provisions are measured at the present value of the Company's best estimate of the expenditure required to settle the present obligation at the balance sheet date. No discounting is considered as it is deemed to yield immaterial changes to the provision. The release of provision relates to the agreed settlement of the Oxford make good on exit on 30 September 2022.

The provision for liabilities relates to make good provisions. Under the terms of the Company's lease agreements across certain UK campuses, the Company must restore leased premises to their condition as at the commencement of the lease.

21. Reconciliation of loss before taxation to cash generated from operations

	Note	2022 £	*As restated* 2021 £*
Loss before taxation		(599,483)	*(1,761,463)*
Depreciation charge for the year on owned assets	14	264,361	*363,670*
Depreciation charge for the year on right-of-use assets	14	1,048,328	*1,028,870*
Interest payable and similar expenses	12	667,093	*457,252*
Interest receivable and similar income	11	-	*(7,435)*
		1,380,299	*80,894*
(Increase)/decrease in trade and other debtors		(189,639)	*627,618*
(Decrease)/increase in trade and other creditors *		(669,113)	*674,244*
		521,547	*1,382,756*

*In prior year statement of cash flows, interest paid amounted to £377,546. This relates to the interest charged on the amount owed to group undertakings. However, there was no outflow of cash for this interest payable. As a result, the line items 'interest paid', 'cash generated from operations' in the statement of cash flows and 'Increase in trade and other creditors' in note 21 have been overstated by £377,546, leading to a prior period error. The error has been corrected by restating these line items.

The error had no impact on the balance sheet, statement of comprehensive income, statement of changes in equity and cash flows from investing and financing activities in the statement of cash flows.

22. Retirement benefit scheme

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the profit and loss account of £213,167 (2021: £212,992) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

23. Post balance sheet events

There are no post balance sheet events to report.

24. Controlling parties

During the year, The ultimate parent company was Marron Group Holdings Pty Ltd, registered in Australia. The registered office address is Melbourne, 3000, Victoria, Australia, from which consolidated financial statements may be obtained. The immediate parent entity was Navitas SAE (UK) Holdings Pty Ltd. The registered office address is Brookfield Place, Level 8, 125 St Georges Terrace, Perth, Western Australia 6000, Australia. The Company was sold on 30 June 2022. The ultimate parent company at 30 June 2022 was GF Investments, registered in France. The registered office address is 20 rue Desbordes, Valmore, 75116, Paris. Myrrha SAS, is the smallest and largest groups to consolidate the results of the company. The immediate parent entity is SAE Technology Group Holdings BV. The registered office address is SAE Institute Amsterdam, 145a De airessestraat, Amsterdam, 1075 HJ.

25. Limited By Guarantee

The Company is incorporated as a company limited by guarantee having no share capital and, in accordance with the memorandum of association, the members of the Company are liable to contribute up to £1 each in the event of the Company being wound up.