

**Registered number: 14268725**

**DUKES EDUCATION HOLDINGS LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

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# **DUKES EDUCATION HOLDINGS LTD**

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# **DUKES EDUCATION HOLDINGS LTD**

## **COMPANY INFORMATION**

### **Directors**

M D Bailey  
T N Fish  
D W Goodhew  
A N Hassan  
G Hawkins  
E A B Nicholas  
J A Pickles

### **Registered number**

14268725

### **Registered office**

4th Floor South  
14-16 Waterloo Place  
London  
United Kingdom  
SW1Y 4AR

### **Independent auditors**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
6th Floor  
3 Callaghan Square  
Cardiff, United Kingdom  
CF10 5BT

### **Solicitors**

Shoosmiths LLP  
Avebury Avenue  
100 Avebury Avenue  
Milton Keynes  
United Kingdom  
MK9 1FH

### **Bankers**

HSBC Bank PLC  
71 Queen Victoria Street  
London  
United Kingdom  
EC4V 4AY

# DUKES EDUCATION HOLDINGS LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their Strategic Report for Dukes Education Holdings Ltd (the "company") and its subsidiary companies (together the "group") for the year ended 31 August 2023.

#### Business review

The results for the period which are set out in the Consolidated Statement of Comprehensive Income show turnover of £230,924,000 (2022: £180,655,000) and an operating profit before amortisation of intangibles and exceptional items of £34,967,000 (2022: £31,532,000). The directors are pleased with the results for the period and consider the financial position of the group and company at the period end to be satisfactory.

These results only include the post-acquisition results of acquisitions made during the year.

The operating profit before amortisation of intangibles and exceptional items above reconciles to the operating loss on the face of the Consolidated Statement of Comprehensive Income as follows:

	2023 £'000	2022 £'000
Operating loss per Consolidated Statement of Comprehensive Income	(33,130)	(22,649)
Amortisation of intangibles	59,858	44,718
Exceptional items	8,239	9,463
<b>Operating profit before amortisation of intangibles and exceptional items</b>	<b>34,967</b>	<b>31,532</b>

During the year, the group made a number of acquisitions, details of which are highlighted below. In addition to the acquisitions of Notting Hill Preparatory School Limited and Hove Village Day Nursery Ltd, the group for the first time expanded outside the UK, with the acquisition in Portugal of United Lisbon International School SA, International Sharing School Oeiras SA, and Colégio Júlio Dinis, Lda; in Switzerland of Copperfield College SA, and in Ireland of Tottoria Trading Unlimited, which operates the Institute of Education.

The acquisitions in Portugal have all been structured with the local partners and founders retaining a significant minority holding. These acquisitions of fast growing high quality schools have significantly increased the size of the group and provided a platform for further expansion outside the UK.

The group also invested £42 million in its freehold and leasehold property.

The acquisitions and capital expenditure were funded by additional lending from the group's bankers of £85 million and an injection of ordinary equity into the group of £136 million.

As at 31 August 2023, the group had total assets less current liabilities of £857,220,000 (2022: £664,532,000) and net assets of £369,347,000 (2022: £325,321,000).

#### Acquisitions

On 2 September 2022, the group purchased the entire share capital of Hove Village Day Nursery Ltd, a company operating a group of nurseries in Hove looking after approximately 200 (FTE) children.

# **DUKES EDUCATION HOLDINGS LTD**

## **STRATEGIC REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Acquisitions (continued)**

On 24 October 2022, the group acquired a stake in United Lisbon International School SA, an all-through international school in Lisbon with approximately 600 children. The acquisition was made via DKS Opco Holdings Portugal SA, company incorporated by the group. The group also incorporated DKS Propco SA, for the purpose of funding development of and ultimately acquiring the freehold property from which the school operates. The two holding companies are owned 60% by the group and 40% by United Lisbon Education HUB SA, the group that founded the school.

On 24 February 2023, the group purchased the entire share capital of Copperfield Education Limited and its subsidiary, Copperfield College SA. Copperfield College SA operates a college for 50-100 students in the ski resort of Verbier, Switzerland.

On 3 April 2023, the group purchased 93.3% of the share capital of Tottoria Trading Unlimited, which operates the Institute of Education in Dublin, catering for 1,500 full time students and offering part-time courses for many others. The minority stake remains held by the founding family.

On 28 April 2023, the group purchased 74% of the share capital of International Sharing School Oeiras SA, an all through international school in Lisbon, with approximately 600 children. The remaining 26% is held by a fund controlled by the founding family.

On 14 June 2023, the group purchased 51% of the share capital of Colégio Júlio Dinis, Lda and its subsidiary Creche Feliz, Lda. Colégio Júlio Dinis, Lda is a newly incorporated company which has funded the development of a 7,500 square meter site with capacity for 1,750 pupils. Post year end, the trade and assets of Creche Feliz, Lda was acquired by Colégio Júlio Dinis, Lda. The remaining 49% is held by the principal and founder, and other staff.

On 4 July 2023, the group purchased the entire share capital of Notting Hill Preparatory School Limited and its subsidiary The Acorn Nursery Schools Limited, a nursery and preparatory school with capacity for 600 pupils.

In all of the cases where the group has acquired a majority interest, a put and call option is in place whereby the group can obtain 100% ownership over the course of the next 2-7 years.

#### **Principal risks and uncertainties**

The management of the business and the execution of the group's strategy are subject to a number of risks:

#### **Enrolments**

Retaining and recruiting students and customers is key to the group's success. The group has a strong focus on customer service with its 'world class admissions' programme, an international sales team, and central marketing resource all supporting local admissions and marketing teams.

# DUKES EDUCATION HOLDINGS LTD

## STRATEGIC REPORT (continued)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### Principal risks and uncertainties (continued)

##### ***Regulatory and political***

The majority of the group's operations are subject to regulatory oversight by bodies such as the Independent Schools Inspectorate, OFSTED, UKVI, and others. The group has considerable experience and expertise in managing compliance in these areas and uses the services of specialist external advisers where appropriate.

The group is also exposed to political risk. This is mitigated through operating across a number of sectors and increasingly across a wider variety of separate geographical areas.

##### ***Currency***

The group is exposed to currency risk. It operates primarily in sterling, euros, and Swiss francs; in addition, fluctuations in sterling will affect the local currency price paid by overseas customers.

The group looks to match its euro and sterling denominated debt balances with its euro and sterling denominated EBITDA. It also maintains accounts in all three currencies and looks to match currency inflows and outflows where possible.

##### ***Interest rate***

The group's bank debt is subject to fluctuations in SONIA and EURIBOR. The group holds a 2.5% SONIA interest rate cap over a notional £400m of debt (see note 20 to the financial statements).

#### **Key performance indicators**

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The group uses a number of indicators to monitor and improve the development, performance or the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The main key performance indicators used by the group are turnover and operating profit which can be seen above. The non financial key performance indicator used by the group is pupil numbers.

The group's non financial key performance indicator during the year was as follows:

	Unit	2023	2022
Pupil numbers	FTE	9,228	7,568

# **DUKES EDUCATION HOLDINGS LTD**

## **STRATEGIC REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Section 172 statement**

The directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006.

The group is aware of the impact a good education can have on communities and is committed to extending the benefits to communities surrounding the nurseries, schools and colleges. The group is aware of the environmental impact of the work that they do and strive to reduce their carbon footprint.

The group is committed to maintaining an excellent reputation and to high standards. We are highly selective about which schools and organisations join the group. Our family is small and close-knit. We carefully curate it *to make sure we have harmony among our teams. This is why we place such an emphasis on our values – we lead with heart; we're a team; we love learning; we do it well.*

Being part of the group means we can all come together to share experience and expertise, supporting each other to achieve the extraordinary.

The directors recognise the importance of the wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the group and their importance to the business are considered below.

**Employees** – The directors believe the employees are a key stakeholder in the group. The group strives to develop an underlying culture where employees can thrive in their development. The single biggest factor the directors consider when deciding if a new organisation should join the group is whether or not the people are a good fit. This means people who are educationalists through and through, people who share our values, and who come to school every day resolved to give their best for our students. The group's engagement with employees is detailed in the directors' report.

**Children and parents** – The children and their parents are key stakeholders within our group. Our mission is to be the best at helping children achieve their ambitions. Everything we do at Dukes is driven by a strong desire to nurture young people so they can achieve their true potential.

**Educational bodies** – We know that if we want to inspire excellence in young learners, then we need to achieve excellence in everything we do. One way we accomplish this is by working closely with regulatory authorities and inspection bodies to ensure everyone in the group delivers the highest possible standards. Additionally, the members of the Education Advisory Board come together regularly to discuss recent and future developments across the group. Their expert support and guidance not only helps us meet best-practice standards, it encourages us to set newer, higher standards for all.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly between all members of the group.

# **DUKES EDUCATION HOLDINGS LTD**

## **STRATEGIC REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Financial instruments**

##### *Objectives and policies*

The group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that price and liquidity risks are minimised by the predetermination of the group funding facilities and terms. The board monitors the group's trading results with a view to ensuring that the group can meet its future obligations as they fall due.

##### *Price risk, credit risk, liquidity risk and cash flow risk*

The business' principal financial instruments comprise bank balances, bank overdrafts and loans, trade debtors, trade creditors and loans to the business. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Loans comprise loans from the shareholders and from financial institutions. The interest rate and monthly repayments on the loans from financial institutions are variable. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the payments as disclosed in note 19 to the financial statements.

#### **Going concern**

The financial statements have been prepared on a going concern basis. In determining that this is appropriate, the directors have taken into account the following:

- The group extended its bank debt facilities shortly after the year end. In addition to the £385.1m of financing drawn under those facilities, the group has access to a £15m revolving credit facility with HSBC for working capital purposes and a further £15.0m committed facilities available to fund capital projects;
- The group has hedged its interest rate risk until May 2026 with an interest rate cap over £400.0m of notional principal at a SONIA rate of 2.5%;
- The group held £39.5m of cash at 31 August 2023. Although the group had net current liabilities of £57.6m, these include £131.4m (2022: £90.8m) of deferred income and related creditors that will unwind as revenue is recognised rather than requiring cash settlement;
- The group is trading profitably at an EBITDA level and generating cash.

The directors have prepared forecasts for the period to 31 August 2025 which indicate that the group has sufficient resources available to trade as a going concern. These forecasts include a variety of scenarios including reverse stress test scenarios covering a significant fall in revenues from current trading levels with no corresponding reduction in costs.



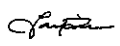
**DUKES EDUCATION HOLDINGS LTD**  
**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**Going concern (continued)**

In all these instances the group remains within banking covenants and continues to operate within its existing banking facilities.

The directors, therefore, have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

By order of the board:

DocuSigned by:  
  
CFCDE5038D19459

**J A Pickles**

**Director**

**Date:** 09-Feb-2024

# **DUKES EDUCATION HOLDINGS LTD**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

The directors present their report and the audited financial statements for the year ended 31 August 2023.

The company was incorporated on 1 August 2022 and has extended its first accounting period to cover the 13 month period ended 31 August 2023 in respect of the company.

During the period ended 31 August 2023, the company acquired a 100% interest in DEG Holdings 2020 Ltd and its subsidiaries by means of a share-for-share exchange. As there was no change in the overall ownership, business accounting rules do not apply to this transaction and merger accounting has been applied instead.

As such, the consolidated results of Dukes Education Holdings Ltd are presented as if the group had always been in existence and therefore the results presented are for the year ended 31 August 2023 with comparative information provided for the year ended 31 August 2022

#### **Acquisitions**

Details of acquisitions made during the year are set out in the strategic report and in note 27 to the financial statements.

#### **Principal activity**

The principal activity of the group is that of the provision of educational services.

The principal activity of the company is that of a non-trading holding company.

#### **Future developments**

The external environment is expected to remain competitive, however the directors are confident that the group will remain financially strong going forward.

#### **Principal risks and uncertainties**

The principal risks and uncertainties are disclosed in the strategic report on pages 3 and 4.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £60,399,000 (2022: profit of £26,232,000).

The directors do not recommend the payment of any dividend for the year (2022: £Nil).

#### **Directors**

The directors who served during the year, unless otherwise indicated, were:

M D Bailey	(appointed 1 August 2022)
T N Fish	(appointed 1 August 2022)
D W Goodhew	(appointed 19 September 2023)
A N Hassan	(appointed 1 August 2022)
G Hawkins	(appointed 1 August 2022)
E A B Nicholas	(appointed 1 August 2022)
J A Pickles	(appointed 1 August 2022)

# **DUKES EDUCATION HOLDINGS LTD**

## **DIRECTORS' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Qualifying third-party indemnity provisions**

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the year and is currently in force.

#### **Post balance sheet events**

Following the year end, the group acquired the trade and assets of Colégio Júlio Dinis, the entire issued share capital of International Education Partnership S.L.U, the entire issued share capital of Poppins Nurseries Ltd, and the entire issued share capital of Limerick Educational Centre Ltd, for a combined consideration of £87 million.

#### **Engagement with employees**

The group encourages the involvement of employees in its management through regular departmental meetings.

The employees of the group are key stakeholders. The group:

- i. provides regular information on key performance indicators to the employees;
- ii. involves employees in regular department meetings, ensuring that the views of employees can be taken into account in making decisions which are likely to affect their interests;
- iii. encourages the involvement of employees in the group's performance through regular communications, cross-group training programmes, and annual awards and celebrations;
- iv. achieves a common awareness on the part of all employees of the financial and economic factors affecting the performance of the group, through regular and transparent communication including an internal annual report.

The directors engage with all employees, from the senior leaders, heads of departments, pastoral leads, teachers and support staff in order to achieve a common goal in giving more to the students.

The directors have considered the needs and interests of all employees in the key decisions taken by the group during the financial year.

# **DUKES EDUCATION HOLDINGS LTD**

## **DIRECTORS' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Disabled employees**

The group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Engagement with suppliers, customers and others**

The directors consider relationships with suppliers, students and their parents and educational bodies to be key to the success of the group. The directors have considered all these relationships, both present and future, in making the principal decisions on acquisitions and refinancing during the period.

#### **Greenhouse gas emissions, energy consumption and energy efficiency action**

None of the company's UK subsidiaries are large companies and, therefore, are not obliged to report under the SECR regulations. Accordingly, the company has excluded the data from these companies from its report. The parent company consumes less than 40MWh of energy per year and is, therefore, exempt from providing full disclosure in this directors' report.

#### **Directors' responsibilities statement**

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

*Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law).*

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

# **DUKES EDUCATION HOLDINGS LTD**

## **DIRECTORS' REPORT (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **Directors' responsibilities statement (continued)**

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disclosure of information to auditors**

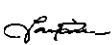
In the case of each director in office at the date the directors report is approved:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

#### **Auditors**

The auditors, Grant Thornton UK LLP, were appointed as the auditor to the company during the period and will be proposed for reappointment in accordance with Section 487 of the Companies Act 2006.

By order of the board:

DocuSigned by:  
  
CFCDE5038D19459.

**J A Pickles**

**Director**

**Date:** 09-Feb-2024

# DUKES EDUCATION HOLDINGS LTD

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DUKES EDUCATION HOLDINGS LTD

### Opinion

We have audited the financial statements of Dukes Education Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2023, which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Balance Sheet, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2023 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. *Our conclusions are based on the audit evidence obtained up to the date of our report.* However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from arising from macro-economic uncertainties such as current inflationary pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

# **DUKES EDUCATION HOLDINGS LTD**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DUKES EDUCATION HOLDINGS LTD (continued)**

### **Conclusions relating to going concern (continued)**

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 group's and the parent 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

### **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.

### **Matter on which we are required to report under the Companies Act 2006**

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

# **DUKES EDUCATION HOLDINGS LTD**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DUKES EDUCATION HOLDINGS LTD (continued)**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **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 group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of how the group is complying with significant legal and regulatory frameworks through inquiries of management;
- The group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Companies Act 2006, along with legislation relating to employment, health & safety, data protection and environmental issues, as those most likely to have a material effect if non-compliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;



# **DUKES EDUCATION HOLDINGS LTD**

## **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DUKES EDUCATION HOLDINGS LTD (continued)**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the group's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the group's control environment;
  - the group's relevant controls over areas of significant risks; and
  - the group's business processes in respect of classes of transactions that are significant to the financial statements.
- Audit procedures performed by the engagement team included:
  - identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
  - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
  - appropriate training, knowledge of the industry in which the group operates; and
  - understanding of the legal and regulatory requirements specific to the group.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# DUKES EDUCATION HOLDINGS LTD

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF DUKES EDUCATION HOLDINGS LTD (continued)

### 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.

DocuSigned by:

*Rhian Owen*

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Rhian Owen BSc FCA  
Senior Statutory Auditor  
*for and on behalf of Grant Thornton UK LLP*  
Statutory Auditor, Chartered Accountants  
Cardiff, United Kingdom

**Date:** 09-Feb-2024

**DUKES EDUCATION HOLDINGS LTD**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	<b>4</b>	<b>230,924</b>	180,655
Cost of sales		(133,266)	(104,859)
<b>Gross profit</b>		<b>97,658</b>	75,796
Administrative expenses		(62,691)	(44,264)
Exceptional administrative expenses	9	(8,239)	(9,463)
Amortisation of intangibles	14	(59,858)	(44,718)
<b>Total administrative expenses</b>		<b>(130,788)</b>	(98,445)
<b>Operating loss</b>	<b>5</b>	<b>(33,130)</b>	(22,649)
Fair value gain	17	4,176	9,619
Other operating income	10	–	76,615
Loss on disposal and impairment of fixed assets	11	–	(10,097)
Interest receivable and similar income		139	–
Interest payable and similar expenses	12	(33,216)	(25,912)
<b>(Loss)/profit before taxation</b>		<b>(62,031)</b>	27,576
Tax on (loss)/profit	13	1,632	(1,344)
<b>(Loss)/profit for the financial year</b>		<b>(60,399)</b>	26,232
<b>Other comprehensive income:</b>			
Currency translation differences		1,558	–
Property revaluation		–	1,172
Deferred tax movement on revaluation		–	931
<b>Other comprehensive income for the year</b>		<b>1,558</b>	2,103
<b>Total comprehensive (expense)/income for the year</b>		<b>(58,841)</b>	28,335
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent company		(58,944)	28,335
Non-controlling interests		103	–
		<b>(58,841)</b>	28,335

The notes on pages 23 to 61 are an integral part of these financial statements.

**DUKES EDUCATION HOLDINGS LTD**

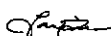
Registered number: 14268725

**CONSOLIDATED AND COMPANY BALANCE SHEET**
**AS AT 31 AUGUST 2023**

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
<b>Fixed assets</b>					
Intangible assets	14	505,517	408,079	–	–
Tangible assets	15	409,306	312,480	–	–
Investments	16	–	–	13,033	–
		914,823	720,559	13,033	–
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	17	1,549	–	–	–
Debtors: amounts falling due within one year	17	91,552	49,558	578,595	–
Cash at bank and in hand	18	39,510	19,053	–	–
		132,611	68,611	578,595	–
Creditors: amounts falling due within one year	19	(190,214)	(124,638)	–	–
<b>Net current liabilities</b>		(57,603)	(56,027)	578,595	–
<b>Total assets less current liabilities</b>		857,220	664,532	591,628	–
Creditors: amounts falling due after more than one year	20	(458,001)	(310,378)	–	–
Provisions for liabilities and charges	21	(29,872)	(28,833)	–	–
<b>Net assets</b>		369,347	325,321	591,628	–
<b>Capital and reserves</b>					
Called up share capital	23	515,546	379,962	515,546	–
Revaluation reserve	24	2,103	2,103	–	–
Foreign currency reserve	24	1,558	–	–	–
Option reserve	24	(37,011)	–	–	–
Profit and loss account	24	(117,246)	(56,744)	76,082	–
<b>Equity attributable to owners of the parent company</b>		364,950	325,321	591,628	–
Non-controlling interests	25	4,397	–	–	–
<b>Total equity</b>		369,347	325,321	591,628	–

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

DocuSigned by:



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**J A Pickles**
**Director**
**Date:** 09-Feb-2024

The notes on pages 23 to 61 are an integral part of these financial statements.

**DUKES EDUCATION HOLDINGS LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Called up share capital £'000	Revaluation reserve £'000	Foreign currency reserve £'000	Option reserve £'000	Profit and loss account £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
<b>At 1 September 2022</b>	379,962	2,103	–	–	(56,744)	325,321	–	325,321
<b>Comprehensive expense for the financial year:</b>								
Loss for the financial year	–	–	–	–	(60,502)	(60,502)	103	(60,399)
<b>Other comprehensive income</b>								
Non-controlling interest on acquisition	–	–	–	–	–	–	77	77
Transactions with non-controlling interests	–	–	–	–	–	–	4,219	4,219
Currency translation differences	–	–	1,558	–	–	1,558	(2)	1,556
<b>Other comprehensive income, net of tax</b>	–	–	1,558	–	–	1,558	4,294	5,852
<b>Total comprehensive expense for the financial year</b>	–	–	1,558	–	(60,502)	(58,944)	4,397	(54,547)
<b>Transactions with owners:</b>								
Shares issued during the year	135,584	–	–	–	–	135,584	–	135,584
Option reserve movements	–	–	–	(37,011)	–	(37,011)	–	(37,011)
<b>Total transactions with owners, recognised directly in equity</b>	135,584	–	–	(37,011)	–	98,573	–	98,573
<b>At 31 August 2023</b>	515,546	2,103	1,558	(37,011)	(117,246)	364,950	4,397	369,347

The notes on pages 23 to 61 are an integral part of these financial statements.

**DUKES EDUCATION HOLDINGS LTD**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

	Called up share capital £'000	Revaluation reserve £'000	Foreign currency reserve £'000	Option reserve £'000	Profit and loss account £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
At 1 September 2021	379,962	–	–	–	(82,976)	296,986	–	296,986
<i>Comprehensive income for the financial year:</i>								
Profit for the financial year	–	–	–	–	26,232	26,232	–	26,232
Other comprehensive income	–	2,103	–	–	–	2,103	–	2,103
<b>Total comprehensive income for the financial year</b>	<b>–</b>	<b>2,103</b>	<b>–</b>	<b>–</b>	<b>26,232</b>	<b>28,335</b>	<b>–</b>	<b>28,335</b>
<b>At 31 August 2022</b>	<b>379,962</b>	<b>2,103</b>	<b>–</b>	<b>–</b>	<b>(56,744)</b>	<b>325,321</b>	<b>–</b>	<b>325,321</b>

The notes on pages 23 to 61 are an integral part of these financial statements.

**DUKES EDUCATION HOLDINGS LTD**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
<b>On incorporation on 1 August 2022</b>	–	–	–
<b><i>Comprehensive income for the financial period:</i></b>			
Profit for the financial period	–	76,082	<b>76,082</b>
<b>Total comprehensive income for the financial year</b>	–	<b>76,082</b>	<b>76,082</b>
<b><i>Transactions with owners:</i></b>			
Shares issued during the period	515,546	–	<b>515,546</b>
<b>Total transactions with owners, recognised directly in equity</b>	<b>515,546</b>	–	<b>515,546</b>
<b>At 31 August 2023</b>	<b>515,546</b>	<b>76,082</b>	<b>591,628</b>

The notes on pages 23 to 61 are an integral part of these financial statements.

**DUKES EDUCATION HOLDINGS LTD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(60,399)	26,232
<b>Adjustments for:</b>		
Depreciation and amortisation	66,715	50,191
Taxation charge	(1,632)	1,344
(Increase)/decrease in debtors	(8,352)	5,865
Increase in creditors	2,805	11,588
Decrease in provisions	1,039	–
Corporation tax (paid)/received	(2,055)	585
Interest payable and similar charges	33,216	19,744
Interest income and similar income	(139)	–
Fair value gain	(4,176)	(9,619)
Non-cash exceptional items	–	(73,082)
<b>Net cash generated from operating activities</b>	<b>27,022</b>	<b>32,848</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	–	(212)
Purchase of tangible fixed assets	(48,672)	(95,597)
Sale of tangible fixed assets	86	433
Acquisition of subsidiary undertakings and unincorporated businesses (net of cash acquired)	(150,063)	(170,454)
<b>Net cash used in Investing activities</b>	<b>(198,649)</b>	<b>(265,830)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	135,584	112,022
Repayment of loans	–	(38)
Debt costs paid	(5,715)	(9,573)
Advance of other loan	98,572	141,300
Payment of interest cap premium	(11,154)	(3,995)
Net interest paid	(25,220)	(14,783)
<b>Net cash generated from financing activities</b>	<b>192,067</b>	<b>224,933</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>20,440</b>	<b>(8,049)</b>
Cash and cash equivalents at the beginning of the financial year	19,053	27,102
Exchange losses on cash and cash equivalents	17	–
<b>Cash and cash equivalents at the end of year</b>	<b>39,510</b>	<b>19,053</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	39,510	19,053

The non-cash exceptional items in 2022 mainly relate to the write off of intercompany balances (see note 9).

The notes on pages 23 to 61 are an integral part of these financial statements.



# **DUKES EDUCATION HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **1 General information**

Dukes Education Holdings Ltd ('the company') and its subsidiaries (together 'the group') operate a number of schools, colleges, nurseries and other educational services throughout the UK and in Europe.

The company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 4th Floor South, 14-16 Waterloo Place, London, United Kingdom, SW1Y 4AR.

#### **2 Principal 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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption in section 408 of the Companies Act 2006 from presenting its individual Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The parent company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 statement of cash flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

# **DUKES EDUCATION HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

## **2 Principal accounting policies (continued)**

### **2.3 Basis of consolidation**

The consolidated financial statements present the results of the company and the group as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

The consolidated financial statements incorporate the results of business combinations up to the incorporation of the company on 1 August 2022 using the merger accounting method as, on the establishment of the company as the ultimate parent of the group, no change in ownership occurred and the requirements of business combination accounting, therefore did not apply.

All subsequent acquisitions made by the group are accounted for using the purchase acquisition method, whereby any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the group control is accounted for as a business combination. Thereafter where the group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

Where the acquisition of the subsidiary includes a contingent consideration, this is initially recognised at an estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

# **DUKES EDUCATION HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **2 Principal accounting policies (continued)**

##### **2.4 Foreign currency**

###### ***i. Functional and presentation currency***

The functional and presentational currency of the company is GBP Sterling (£). Monetary amounts in these financial statements are rounded to the nearest thousand Pounds.

###### ***ii. Transactions and balances***

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses resulting from the settlement or the translation at period-end exchange rates of related party balances denominated in foreign currencies are recognised in other comprehensive income where management regard them as 'permanent as equity'.

Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss account within interest receivable and similar income or interest payable and similar expenses. All other foreign exchange gains and losses are presented in the profit and loss account within other operating (losses)/expenses or administrative expenses.

###### ***iii. Group companies***

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a. assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b. income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions); and
- c. all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**2 Principal accounting policies (continued)**

**2.5 Revenue**

Revenue represents amounts receivable for school and nursery fees, events, and other services delivered during the year.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

School and nursery fees are recognised on a straight line basis over the academic year (1 September to 31 August) to which they relate. Revenue for events or other services is recognised when the event has taken place or the service has been delivered. Revenue for services delivered over a number of months, including subscription and sponsorship revenue, is recognised proportionally to the delivery of the service.

Revenue is measured at the fair value of the consideration received or receivable, net of any rebates or discounts.

**2.6 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

**2.7 Pensions**

***Defined contribution pension plan***

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group 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 group in independently administered funds.

**2.8 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.

# DUKES EDUCATION HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 2 Principal accounting policies (continued)

##### 2.9 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

# DUKES EDUCATION HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2023

## 2 Principal accounting policies (continued)

### 2.10 Intangible assets

#### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

#### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	10 years
Website costs	-	2 years
Goodwill	-	10 years

### 2.11 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Land and buildings (including leasehold improvements)	-	2%-10% straight line / Over the life of the lease
Motor vehicles	-	25% reducing balance
Fixtures, fittings and equipment	-	15% - 33% straight line

Land, freehold and leasehold properties are not depreciated see note 2.14.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

# **DUKES EDUCATION HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **2 Principal accounting policies (continued)**

##### **2.12 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### **2.13 Leased assets**

###### **Operating leases: the group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **2.14 Revaluation of tangible fixed assets**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

##### **2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.16 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.17 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are *highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.*

# **DUKES EDUCATION HOLDINGS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 AUGUST 2023**

#### **2 Principal accounting policies (continued)**

##### **2.18 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.19 Provisions for liabilities**

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### **2.20 Onerous leases**

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

##### **2.21 Put and call options**

The group has put and call options in place where the full ownership over an entity is achieved in stages, subject to conditions (see note 3).

The put and call options are measured at fair value at the date of acquiring the subsidiary. Movements in fair value are recognised through equity on their remeasurement dates.

##### **2.22 Financial instruments**

The group enters into financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.



# DUKES EDUCATION HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 2 Principal accounting policies (continued)

##### 2.22 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in the line item fair value gain or loss as appropriate. The group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

#### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the groups accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### *Intangible assets*

Annually, the group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

# **DUKES EDUCATION HOLDINGS LTD** **NOTES TO THE FINANCIAL STATEMENTS (continued)** **FOR THE YEAR ENDED 31 AUGUST 2023**

## **3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

### **Critical judgements (continued)**

#### *Intangible assets (continued)*

The recoverable amount of the CGUs is a source of significant estimation uncertainty. The recoverable amount was determined using a value-in-use calculation which required the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the directors covering a six-year period. Cash flows beyond the six-year period are extrapolated using an estimated growth rate. If actual cash flows are not in line with budgeted cash flows, additional impairment of the CGUs total assets may be required (note 14).

#### *Impairment of investments*

The investments in subsidiaries are held at cost less impairment. Any impairment of investment value is based on a judgement. The directors have used their best judgement and knowledge of the business to assess the need for any impairment, based on the current and expected future financial performance and position of the subsidiary (note 16).

#### *Put and call options over non-controlling interests*

During the year the group acquired share capital of companies as shown per note 27, this included a 60% stake in DKS Opco Holdings Portugal SA, a 93.3% stake in Tottoria Trading Unlimited, a 74% stake in International Sharing School Oeiras SA and a 51% stake in Colégio Júlio Dinis, Lda. In the previous year the group acquired an 80% stake in InvestIN Education Limited. At the date of each of these acquisitions the group simultaneously entered put and call options to acquire the remaining % stakes, with the option exercise price being variable and linked to the following:

- DKS Opco Holdings Portugal SA: reported EBITDA in the year ending 31 August 2028, net financial debt at 31 August 2028 and working capital at 31 August 2028;
- Tottoria Trading Unlimited: reported EBITDA in the year ending 31 August 2027;
- International Sharing School Oeiras SA: reported EBITDA in the year ending 31 August 2027 and balances in the school owed to the group at 31 August 2027;
- Colégio Júlio Dinis, Lda: reported EBITDA in the year ending 31 August 2027 and balances in the school owed to the group at 31 August 2027;
- InvestIN Education Limited: reported EBITDA in the year ending 31 August 2025.

The options are exercisable when the relevant financial statements for the relevant EBITDA year are finalised and agreed between the company and the non-controlling shareholders. The directors have used their best judgement and knowledge of the business to assess forecast EBITDA and cash flows and for the relevant year in the calculation of the deferred consideration or option liability, which is discounted to net present value using rates between 9.1% and 9.2% per annum.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**3 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)**

**Key sources of estimation uncertainty**

The directors on reviewing estimates and assumptions do not consider it reasonable that possible changes in estimation will cause a material adjustment to the carrying amount of the Group's assets and liabilities. The following items are areas of estimation uncertainty where the directors are required to make assumptions as to the carrying amount of assets and liabilities and are included for informational purposes.

*Deferred and contingent consideration*

The balance sheet includes amounts which are payable in the future for the acquisition of subsidiaries. These amounts may be fixed, or variable dependent on the future performance of the trade acquired. The amounts payable are recognised based on best estimates of the future results and expected cash flows from the acquired subsidiary. These are discounted to net present value at rates of between 9.1% and 9.2% per annum (note 27).

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**4 Turnover**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Fee income	<b>198,795</b>	155,104
Events income	<b>21,097</b>	17,591
Other income	<b>11,032</b>	7,960
	<b>230,924</b>	180,655

The geographical split of turnover is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	<b>213,150</b>	180,655
Rest of Europe	<b>17,774</b>	–
	<b>230,924</b>	180,655

**5 Operating loss**

The operating loss is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	<b>6,857</b>	5,473
Amortisation	<b>59,858</b>	44,718
Operating leases	<b>12,193</b>	8,492

**6 Auditors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Audit services (parent company only)	<b>20</b>	16
Audit services (remaining group)	<b>234</b>	294

**Fees payable to the group's auditor and its associates in respect of:**

Taxation compliance services	<b>33</b>	131
Accounts preparation	<b>6</b>	77
Other non-audit services	<b>68</b>	–
	<b>107</b>	208

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**7 Employee information**

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Teaching and support staff	<b>3,182</b>	2,324

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs</b>		
Wages and salaries	<b>95,292</b>	72,723
Social security costs	<b>9,710</b>	7,549
Cost of defined contribution scheme	<b>9,753</b>	5,586
	<b>114,755</b>	85,858

**8 Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Directors' emoluments	<b>1,446</b>	450
Group contributions to defined contribution pension schemes	<b>31</b>	5
	<b>1,477</b>	455

During the year retirement benefits were accruing to 4 directors (2022: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £265,000 (2022: £250,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,000 (2022: £nil).

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**9 Exceptional administrative items**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating exceptional items</b>		
Costs of reorganisation and restructuring	<b>1,238</b>	1,371
Non-capital costs of new development sites	<b>4,319</b>	2,479
Irrecoverable VAT on exceptional costs and capital expenditure	<b>683</b>	–
Other one-off costs	<b>301</b>	385
Onerous lease provisions	<b>436</b>	3,232
Exceptional maintenance costs	<b>389</b>	218
Charitable donations	–	500
Mergers and acquisitions integration and abort costs	<b>873</b>	1,278
<b>Total exceptional administrative items</b>	<b>8,239</b>	9,463

**10 Other operating income**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Gain on write off of related party balances	–	76,615

The exceptional credit arose as a result of the reorganisation of the group in August 2022, which added Dukes Education Holdings Ltd as a new UK holding company. The credit relates to the cancellation of intercompany balances with companies outside the consolidated group.

**11 Loss on disposal and impairment of fixed assets**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Losses on disposal of fixed assets	–	3,774
Losses on freehold property revaluations	–	6,323
	–	10,097

**12 Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest payable	<b>29,091</b>	14,783
Finance charges adjacent to interest	<b>4,125</b>	4,961
Cost of refinancing	–	6,168
	<b>33,216</b>	25,912

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**13 Taxation**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax:</b>		
Current tax on (losses)/profits for the year	<b>111</b>	363
Foreign corporation tax on profits for the year	<b>493</b>	–
Adjustments in respect of previous periods	<b>(663)</b>	(78)
<b>Total current tax</b>	<b>(59)</b>	285
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<b>(356)</b>	1,059
Impact of changes in tax rate	<b>(81)</b>	–
Adjustments in respect of prior periods	<b>(1,136)</b>	–
<b>Total deferred tax</b>	<b>(1,573)</b>	1,059
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>(1,632)</b>	1,344

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 21.51% (2022: 19%). The differences are explained below:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit on ordinary activities before tax	<b>(62,031)</b>	27,576
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.51% (2022: 19%)	<b>(13,343)</b>	5,239
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>14,393</b>	–
Capital allowances for year in excess of depreciation	–	2,078
Adjustments to tax charge in respect of prior periods	<b>(1,799)</b>	(78)
Capital gains	–	27
Remeasurement of deferred tax for changes in tax rates	<b>(81)</b>	100
Movement in deferred tax not recognised	<b>(382)</b>	(988)
Deferred tax on revaluation	–	931
Income not taxable	<b>(406)</b>	(5,965)
Effects of overseas tax rates	<b>(14)</b>	–
<b>Total tax (credit)/charge for the year</b>	<b>(1,632)</b>	1,344

**Factors that may affect future tax charges**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 August 2023, the current weighted averaged tax rate was 21.51%.

Deferred taxes at the balance sheet date have been measured using the enacted rates and reflected in these financial statements.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**14 Intangible assets**

	<b>Intellectual property £'000</b>	<b>Website costs £'000</b>	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 September 2022	3,009	446	526,603	<b>530,058</b>
On acquisition of subsidiaries	636	—	152,952	<b>153,588</b>
Foreign exchange differences	—	—	3,708	<b>3,708</b>
<b>At 31 August 2023</b>	<b>3,645</b>	<b>446</b>	<b>683,263</b>	<b>687,354</b>
<b>Amortisation</b>				
At 1 September 2022	702	227	121,050	<b>121,979</b>
Charge for the year	727	85	59,046	<b>59,858</b>
<b>At 31 August 2023</b>	<b>1,429</b>	<b>312</b>	<b>180,096</b>	<b>181,837</b>
<b>Net book value</b>				
<b>At 31 August 2023</b>	<b>2,216</b>	<b>134</b>	<b>503,167</b>	<b>505,517</b>
At 31 August 2022	2,307	219	405,553	408,079



**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**15 Tangible fixed assets**

**Group**

	<b>Land and buildings £'000</b>	<b>Motor vehicles £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>				
At 1 September 2022	322,613	296	27,731	<b>350,640</b>
Additions	41,859	115	6,698	<b>48,672</b>
On acquisition of subsidiaries	50,383	32	4,682	<b>55,097</b>
Disposals	(82)	(42)	(394)	<b>(518)</b>
<b>At 31 August 2023</b>	<b>414,773</b>	<b>401</b>	<b>38,717</b>	<b>453,891</b>
<b>Depreciation</b>				
At 1 September 2022	16,510	270	21,380	<b>38,160</b>
Charge for the year	3,318	8	3,531	<b>6,857</b>
Disposals	(82)	(38)	(312)	<b>(432)</b>
<b>At 31 August 2023</b>	<b>19,746</b>	<b>240</b>	<b>24,599</b>	<b>44,585</b>
<b>Net book value</b>				
<b>At 31 August 2023</b>	<b>395,027</b>	<b>161</b>	<b>14,118</b>	<b>409,306</b>
At 31 August 2022	306,103	26	6,351	<b>312,480</b>

The fair value of the group's land and buildings are regularly revalued by independent valuers.

On 3 April 2023 and 4 July 2023, as part of the acquisition, the fair value of some of the group's land and buildings was revalued by CBRE and Gerald Eve LLP as RICS registered independent valuers. The valuation was completed on a market value with vacant possession basis.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**16 Fixed asset investments**

**Company**

	<b>Investments in subsidiaries £'000</b>
<b>Cost or valuation</b>	
On incorporation on 1 August 2022	–
Additions as part of reorganisation	13,033
<b>At 31 August 2023</b>	<b>13,033</b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
DEG Investments Ltd	England and Wales	Ordinary	100 %
DEG Holdings 2020 Ltd	England and Wales	Ordinary	100 %
Dukes Education Finance Ltd	England and Wales	Ordinary	100 %
DEG Bidco Ltd	England and Wales	Ordinary	100 %
Dukes Education Group Ltd	England and Wales	Ordinary	100 %
Dukes Colleges Ltd*	England and Wales	Ordinary	100 %
Dukes Summer Schools Ltd*	England and Wales	Ordinary	100 %
Dukes Applications Ltd*	England and Wales	Ordinary	100 %
Summer Boarding Courses Limited*	England and Wales	Ordinary	100 %
Dukes Education Ltd*	England and Wales	Ordinary	100 %
Fine Arts College Ltd*	England and Wales	Ordinary	100 %
RIC Trading 2020 Ltd*	England and Wales	Ordinary	100 %
CSFC Ltd*	England and Wales	Ordinary	100 %
M.M. Oxford Study Services Limited*	England and Wales	Ordinary	100 %
Application Research Ltd*	England and Wales	Ordinary	100 %
Oxbridge Applications Ltd*	England and Wales	Ordinary	100 %
Jon Tabbert Associates Limited*	England and Wales	Ordinary	100 %
Dukes Publishing Ltd*	England and Wales	Ordinary	100 %
Dukes Medical Ltd*	England and Wales	Ordinary	100 %
Apply2Uni Limited*	England and Wales	Ordinary	100 %
Dukes Pathways Ltd*	England and Wales	Ordinary	100 %
Dukes Education Group (Hong Kong) Ltd*	England and Wales	Ordinary	100 %
Augustus College Ltd*	England and Wales	Ordinary	100 %
Earlscliffe Ltd*	England and Wales	Ordinary	100 %
Rochester Independent College Ltd*	England and Wales	Ordinary	100 %
Dukes Schools Ltd*	England and Wales	Ordinary	100 %

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
Knightsbridge School Limited*	England and Wales	Ordinary	100 %
Little Dukes Ltd*	England and Wales	Ordinary	100 %
Miss Daisy's Nurseries Ltd*	England and Wales	Ordinary	92.5 %
Miss Daisy's Nursery Schools Ltd*	England and Wales	Ordinary	92.5 %
Miss Daisy's Nursery School Brook Green Ltd*	England and Wales	Ordinary	100 %
Twickenham Park Day Nursery Ltd*	England and Wales	Ordinary	100 %
Minerva Education Holdco Limited*	England and Wales	Ordinary	100 %
Minerva Education Finance Limited*	England and Wales	Ordinary	100 %
Palatinate Schools Holding Limited*	England and Wales	Ordinary	100 %
Palatinate Schools Limited*	England and Wales	Ordinary	100 %
Eaton Square Schools Limited*	England and Wales	Ordinary	100 %
Miss Daisy's Nursery School Hyde Park Ltd*	England and Wales	Ordinary	100 %
Sancton Wood School Limited*	England and Wales	Ordinary	100 %
The Lyceum (School) Ltd*	England and Wales	Ordinary	100 %
Broomfield House School Limited*	England and Wales	Ordinary	100 %
Riverside Nursery Schools Ltd*	England and Wales	Ordinary	100 %
Active Education Group Ltd*	England and Wales	Ordinary	100 %
Schools of Sport Ltd*	England and Wales	Ordinary	100 %
Varsity Language Schools Ltd*	England and Wales	Ordinary	100 %
The Ultimate Activity Company Ltd*	England and Wales	Ordinary	100 %
Okeford Education Limited*	England and Wales	Ordinary	100 %
Reflections Nurseries Ltd*	England and Wales	Ordinary	100 %
Heathside Preparatory School Ltd*	England and Wales	Ordinary	100 %
Bright Beginnings (Twickenham) Limited*	England and Wales	Ordinary	100 %
Little Inspirations Day Nurseries Limited*	England and Wales	Ordinary	100 %
DEG Schools Ltd*	England and Wales	Ordinary	100 %
Bassett House School*	England and Wales	Ordinary	100 %
Bassett Road (No.1)*	England and Wales	Ordinary	100 %
Bassett Road (No.2)*	England and Wales	Ordinary	100 %
House Schools Group*	England and Wales	Ordinary	100 %
OHS 2023*	England and Wales	Ordinary	100 %
Newton Grove (No.1)*	England and Wales	Ordinary	100 %
Newton Grove (No.2)*	England and Wales	Ordinary	100 %
Prospect House School*	England and Wales	Ordinary	100 %
Hopes and Dreams Babysitters Limited*	England and Wales	Ordinary	100 %
Hopes and Dreams (City) Limited*	England and Wales	Ordinary	100 %
Dukes Schools (Twickenham) Ltd*	England and Wales	Ordinary	100 %
Radnor House School Limited*	England and Wales	Ordinary	100 %

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
Radnor House Preparatory School Ltd*	England and Wales	Ordinary	100 %
St. Andrews Tutorial Services Limited*	England and Wales	Ordinary	100 %
The Career Portal Limited*	England and Wales	Ordinary	100 %
The Medic Portal Limited*	England and Wales	Ordinary	100 %
The Lawyer Portal Limited*	England and Wales	Ordinary	100 %
Examfit Ltd*	England and Wales	Ordinary	100 %
Bassett House School 2 Ltd*	England and Wales	Ordinary	100 %
Prospect House School 2 Ltd*	England and Wales	Ordinary	100 %
Orchard House School 2 Ltd*	England and Wales	Ordinary	100 %
Hampton Court House Limited*	England and Wales	Ordinary	100 %
Orchard House School Limited*	England and Wales	Ordinary	100 %
Garnet TopCo Limited*	England and Wales	Ordinary	100 %
Garnet MidCo Limited*	England and Wales	Ordinary	100 %
Garnet BidCo Limited*	England and Wales	Ordinary	100 %
Vale School (1980) Limited*	England and Wales	Ordinary	100 %
Eaton Square School Belgravia Limited*	England and Wales	Ordinary	100 %
Eaton House School Limited*	England and Wales	Ordinary	100 %
Devonshire House School Limited*	England and Wales	Ordinary	100 %
Lyndhurst House School Limited*	England and Wales	Ordinary	100 %
Northcote Lodge School Limited*	England and Wales	Ordinary	100 %
Broomwood Hall School Limited*	England and Wales	Ordinary	100 %
The Pointer School Limited*	England and Wales	Ordinary	100 %
London Park Schools Ltd*	England and Wales	Ordinary	100 %
InvestIN Education Limited*	England and Wales	Ordinary	80 %
Jaderberg Kraiss Tutoring Limited*	England and Wales	Ordinary	100 %
The Kindergartens Limited*	England and Wales	Ordinary	100 %
Little Dukes Nursery Schools Ltd*	England and Wales	Ordinary	100 %
Dukes Portugal Ltd*	England and Wales	Ordinary	100 %
DEG Property Ltd*	England and Wales	Ordinary	100 %
St John's Richmond Ltd*	England and Wales	Ordinary	100 %
Belsize Park Property Ltd*	England and Wales	Ordinary	100 %
Northwood Schools Limited*	England and Wales	Ordinary	100 %
DEG Club Ltd*	England and Wales	Ordinary	100 %
Copperfield Education Limited*	England and Wales	Ordinary	100 %
The Acorn Nursery Schools Limited*	England and Wales	Ordinary	100 %
Notting Hill Preparatory School Limited*	England and Wales	Ordinary	100 %
DEG Events Ltd*	England and Wales	Ordinary	100 %
Hove Village Day Nursery Ltd*	England and Wales	Ordinary	100 %

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
DEG Spain Ltd*	England and Wales	Ordinary	100 %
Dukes Ireland Ltd*	England and Wales	Ordinary	100 %
Tottoria Trading Limited	Ireland	Ordinary	93.3 %
Copperfield College SA	Switzerland	Ordinary	100 %
DKS Portugal SA	Portugal	Ordinary	100 %
DKS Opco Holdings Portugal SA	Portugal	Ordinary	60 %
DKS Propco Holdings Portugal SA	Portugal	Ordinary	60 %
International Sharing School - Oeiras, SA	Portugal	Ordinary	74 %
United Lisbon International School SA	Portugal	Ordinary	60 %
Creche Feliz, Lda	Portugal	Ordinary	51 %
Colégio Júlio Dinis, Lda	Portugal	Ordinary	51 %

The principal activity of DEG Holdings 2020 Ltd, DEG Investments Ltd, Dukes Education Finance Ltd, DEG Bidco Ltd, Dukes Education Group Ltd, Dukes Colleges Ltd, Dukes Summer Schools Ltd, Dukes Applications Ltd, Dukes Schools Ltd, Minerva Education Holdco Limited, Minerva Education Finance Limited, Palatinate Schools Holding Limited, Little Dukes Ltd, DEG Schools Ltd, Garnet Topco Limited, Garnet Midco Limited, Garnet Bidco Limited, Vale School (1980) Limited, Miss Daisy's Nurseries Ltd, House Schools Group, DKS Portugal SA, Belsize Park Property Ltd, St John's Richmond Ltd, DKS Opco Holdings Portugal SA, DKS Propco Holdings Portugal SA, Dukes Ireland Ltd, Copperfield Education Limited, DEG Property Limited, Dukes Portugal Ltd and DEG Spain Ltd is as holding companies.

The principal activity of Dukes Pathways Ltd, Dukes Medical Ltd, Augustus College Ltd, Oxbridge Applications Limited, M.M. Oxford Study Services Limited, Jon Tabbert Associates Limited, Apply2Uni Limited, Application Research Ltd, Bassett Road (No.1), Bassett Road (No.2), Newton Grove (No.1), Newton Grove (No.2), Examfit Ltd, Bassett House School 2 Ltd, Prospect House School 2 Ltd, Orchard House School 2 Ltd, Active Education Group Ltd, Bright Beginnings (Twickenham) Limited, Dukes Publishing Ltd, Dukes Schools (Twickenham) Ltd, Hopes and Dreams Babysitters Limited, Little Inspirations Day Nurseries Limited, Miss Daisy's Nursery School Brook Green Ltd, Miss Daisy's Nursery School Hyde Park Ltd, Northwood Schools Limited, Palatinate Schools Limited, RIC Trading 2020 Ltd, Schools of Sport Ltd, The Lawyer Portal Limited, The Medic Portal Limited, Twickenham Park Day Nursery Ltd, Varsity Language Schools Ltd and Dukes Education Group (Hong Kong) Ltd is as dormant companies.

The principal activity of all other companies is the provision of nursery and/or education services.

DEG Holdings 2020 Ltd is directly held by the company. All companies denoted with \* are exempt from audit by virtue of section 479A of the Companies Act 2006. In accordance with Section 479C of the Companies Act 2006, the company has provided guarantees in respect of the liabilities of these companies.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**16 Fixed asset investments (continued)**

The registered office for all subsidiaries registered in England and Wales is 4th Floor South, 14-16 Waterloo Place, London, United Kingdom, SW1Y 4AR.

The Registered office address for the overseas subsidiaries is as follows:

<b>Name</b>	<b>Registered address</b>
Tottoria Trading Limited	82-85 Lower Leeson Street, Dublin 2, D02 PX56, Ireland
Copperfield College SA	Rue de la Bérarde 10, 1936, Verbier, Switzerland
United Lisbon International School SA	Avenida Marechal Gomes da Costa n.º 9, freguesia de Marvila, concelho de Lisboa, 1800-255 Lisboa, Portugal
DKS Portugal SA	Quinta do Martinhal, Lote 95, freguesia de Sagres, concelho de Vila do Bispo, 8650 - 343 Sagres, Portugal
DKS Opco Holdings Portugal SA	Quinta do Martinhal, Lote 95, freguesia de Sagres, concelho de Vila do Bispo, 8650 - 343 Sagres, Portugal
DKS Propco Holdings Portugal SA	Quinta do Martinhal, Lote 95, freguesia de Sagres, concelho de Vila do Bispo, 8650 - 343 Sagres, Portugal
International Sharing School - Oeiras, SA	Avenida Dr. Mário Soares, n.º 14, freguesia de Porto Salvo, concelho de Oeiras, 2740-119 Porto Salvo, Portugal
Creche Feliz, Lda	Rua Óscar da Silva, n.º 28, freguesia do Paranhos, concelho de Porto, 4200-432 Porto, Portugal
Colégio Júlio Dinis, Lda	Rua do Porto Feliz, s/n, freguesia de Paranhos, concelho do Porto, 4350-016 Porto, Portugal

**17 Debtors**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due after more than one year</b>				
Deferred tax asset	<b>1,549</b>	—	—	—
	<b>1,549</b>	—	—	—
<b>Amounts falling due within one year</b>				
Trade debtors	<b>46,066</b>	27,130	—	—
Amounts owed by group undertakings	—	—	<b>578,595</b>	—
Corporation tax receivable	<b>1,197</b>	3	—	—
Other debtors	<b>4,979</b>	2,286	—	—
Prepayments and accrued income	<b>10,367</b>	6,526	—	—
Financial instruments	<b>28,943</b>	13,613	—	—
	<b>91,552</b>	49,558	<b>578,595</b>	—

Amounts owed by group undertakings are unsecured, interest free and repayable on demand with no expectation of repayment in the next twelve months.

The financial instruments include a fair value gain of £4,176,000 (2022 £9,619,000) which is included in the consolidated statement of comprehensive income.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**18 Cash and cash equivalents**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	<b>39,510</b>	19,053	–	–

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	<b>13,500</b>	–	–	–
Trade creditors	<b>14,934</b>	9,540	–	–
Amounts owed to group undertakings	–	3	–	–
Corporation tax	–	944	–	–
Other taxation and social security	<b>5,168</b>	7,259	–	–
Other creditors	<b>7,876</b>	2,836	–	–
Accruals	<b>17,356</b>	13,220	–	–
Deferred income and fee deposits	<b>131,380</b>	90,836	–	–
	<b>190,214</b>	124,638	–	–

Bank loans and overdrafts consist of a revolving credit facility which is secured, bears interest of 4% + SONIA and is repayable at the end of the 30 day period.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**20 Creditors: amounts falling due after more than one year**

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Other loans	376,866	293,961
Other creditors	8,117	4,373
Deferred consideration	30,360	–
Contingent consideration	5,332	12,044
Option liability	37,326	–
	<b>458,001</b>	<b>310,378</b>

Other loans outstanding of £376,866,000 (2022: £293,961,000), are stated after deducting £8,206,000 (2022: £6,039,000) of costs associated with the raising of this finance which are being released to the profit and loss account over the term of the debt in accordance with FRS102. Total other loans excluding accrued interest but gross of debt costs were therefore £385,072,000 (2022: £300,000,000) at 31 August 2023 including a Euro loan of €23,300,000.

The other loans are secured and repayable in full on 25 September 2028. Interest is charged at SONIA plus 6.5% and Euribor + 7% on the GBP and Euro loans respectively.

The option liability represents the fair value of options granted to non-controlling interests to allow the company to acquire their interest at a future date.

**21 Provisions for liabilities and charges**

The provisions for liabilities and charges consists of:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Onerous lease	12,690	13,361
Deferred taxation	17,182	15,472
	<b>29,872</b>	<b>28,833</b>

**Onerous lease**

	<b>£'000</b>
At 1 September 2022	13,361
Credited to profit or loss	(671)
<b>At 31 August 2023</b>	<b>12,690</b>

The onerous lease provision reflects property lease contracts for which future cash flows are less than future contract commitments. This has been calculated as the lower of the net cost of fulfilling the contract or exiting the contract discounted to net present value using a pre-tax rate that reflects current market assumptions.



**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**21 Provisions for liabilities and charges (continued)**

**Deferred taxation**

**Group**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At beginning of the year	<b>15,472</b>	15,600
Credited to profit and loss	<b>(1,573)</b>	(1,059)
Charged to other comprehensive income	–	931
Arising on business combinations	<b>1,734</b>	–
<b>At end of year</b>	<b>15,633</b>	15,472
Non-current deferred tax assets	<b>(1,549)</b>	–
Deferred tax liabilities	<b>17,182</b>	15,472
	<b>15,633</b>	15,472

The provision of deferred taxation is made up as follows:

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Capital gains	<b>14,516</b>	13,166
Short term timing differences	<b>(46)</b>	(55)
Fixed asset timing differences	<b>2,337</b>	2,562
Tax losses carried forward	<b>(1,174)</b>	(201)
	<b>15,633</b>	15,472

**22 Financial instruments**

	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>28,943</b>	13,613

Financial assets measured at fair value through profit or loss comprise financial instruments (see note 17). See the Strategic Report regarding more information on the financial instruments.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**23 Called up share capital**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
51,554,554,769 (2022: 37,996,164,700) Ordinary shares of £0.01 each	<b>515,546</b>	379,962

On incorporation on 1 August 2022, the company issued 1 Ordinary share of £0.01 at a par value.

On 31 August 2022, the company issued 37,996,164,731 Ordinary shares of £0.01 each at par value.

On 31 August 2023, the company issued 13,558,390,037 Ordinary shares of £0.01 each at par value.

**24 Reserves**

***Revaluation reserve***

The revaluation reserve includes historic gains and losses on the revaluation of tangible fixed assets.

***Foreign currency reserve***

The foreign currency reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of subsidiaries whose financial statements are maintained in a currency other than GBP.

***Option reserve***

The option reserve represents the options granted to non-controlling interests to allow the company to acquire their interest at a future date.

***Profit and loss account***

Includes all current and prior periods retained profits and losses.

**25 Non-controlling interests**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
At 1 September	—	—
Acquisition of non-controlling interests	<b>77</b>	—
Total comprehensive income attributable to non-controlling interests	<b>103</b>	—
Transactions with non-controlling interests	<b>2,437</b>	—
Currency translation differences	<b>(2)</b>	—
<b>At 31 August</b>	<b>2,615</b>	—

The transaction with non controlling interest relates to share capital issued during the year in DKS Opco Holdings Portugal SA, DKS Propco Holdings Portugal SA and Colégio Júlio Dinis, Lda.

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**26 Analysis of net debt**

	At 1 September 2022 £'000	Cash flows £'000	Foreign exchange movements £'000	Other non- cash changes £'000	At 31 August 2023 £'000
Cash at bank and in hand	19,053	20,440	17	–	39,510
Debt due within 1 year	–	(13,500)	–	–	(13,500)
Other loans	(293,961)	(85,072)	–	2,167	(376,866)
	(274,908)	(78,132)	17	2,167	(350,856)

**27 Business combinations**

**Acquisition of United Lisbon International School SA**

On 24 October 2022, the group along with United Lisbon Education HUB, S.A incorporated DKS Opco Holdings Portugal SA, whereby the group held 60% of the share capital. On 10 November 2022, DKS Portugal Opco Holdings SA purchased the entire share capital of United Lisbon International School SA.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Fixed Assets</b>			
Tangible	1,653	–	1,653
	<b>1,653</b>	–	<b>1,653</b>
<b>Current Assets</b>			
Debtors	1,228	–	1,228
Cash at bank and in hand	1,104	–	1,104
<b>Total Assets</b>	<b>3,985</b>	–	<b>3,985</b>
<b>Creditors</b>			–
Due within one year	(4,196)	–	(4,196)
Due after more than one year	(145)	–	(145)
<b>Total identifiable net assets</b>	<b>(356)</b>	–	<b>(356)</b>
Non-controlling interest			142
Goodwill			9,318
<b>Total purchase consideration</b>			<b>9,104</b>

**Consideration**

	£'000
Cash	8,726
Directly attributable costs	378
<b>Total purchase consideration</b>	<b>9,104</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of United Lisbon International School SA (continued)**

**Cash outflow on acquisition**

	£'000
Purchase consideration settled in cash, as above	8,726
Directly attributable costs	378
	9,104
Less: Cash and cash equivalents acquired	(1,104)
<b>Net cash outflow on acquisition</b>	<b>8,000</b>

The results of United Lisbon International School SA since acquisition are as follows:

	£'000
Turnover	7,002
Profit/(Loss) for the period since acquisition	689

**Acquisition of International Sharing School Oeiras SA**

On 28 April 2023, DKS Portugal SA purchased 74% of the issued share capital of International Sharing School Oeiras SA.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Fixed Assets</b>			
Intangible - intellectual property	636	–	636
Tangible	9,748	–	9,748
	<b>10,384</b>	–	<b>10,384</b>
<b>Current Assets</b>			
Debtors	4,048	–	4,048
Cash at bank and in hand	204	–	204
<b>Total Assets</b>	<b>14,636</b>	–	<b>14,636</b>
<b>Creditors</b>			–
Due within one year	(6,412)	–	(6,412)
Due after more than one year	(7,618)	–	(7,618)
<b>Total identifiable net assets</b>	<b>606</b>	–	<b>606</b>
Non-controlling interest			(158)
Goodwill			27,569
<b>Total purchase consideration</b>			<b>28,017</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of International Sharing School Oeiras SA (continued)**

**Consideration**

	<b>£'000</b>
Cash	<b>27,103</b>
Directly attributable costs	<b>914</b>
<b>Total purchase consideration</b>	<b>28,017</b>

**Cash outflow on acquisition**

	<b>£'000</b>
Purchase consideration settled in cash, as above	<b>27,103</b>
Directly attributable costs	<b>914</b>
	<b>28,017</b>
Less: Cash and cash equivalents acquired	<b>(204)</b>
<b>Net cash outflow on acquisition</b>	<b>27,813</b>

The results of International Sharing School Oeiras SA since acquisition are as follows:

	<b>£'000</b>
Turnover	<b>2,846</b>
Profit/(Loss) for the period since acquisition	<b>369</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Colégio Júlio Dinis, Lda**

On 14 June 2023, DKS Portugal SA purchased 51% of the issued share capital of Colégio Júlio Dinis, Lda and its subsidiary Creche Feliz, Lda.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	<b>Book value</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>adjustments</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>			
Intangible - goodwill	7	–	7
Tangible	1,007	–	1,007
	<b>1,014</b>	<b>–</b>	<b>1,014</b>
<b>Current Assets</b>			
Debtors	170	–	170
Cash at bank and in hand	29	–	29
<b>Total Assets</b>	<b>1,213</b>	<b>–</b>	<b>1,213</b>
<b>Creditors</b>			<b>–</b>
Due within one year	(1,036)	–	(1,036)
Due after more than one year	(52)	–	(52)
<b>Total identifiable net assets</b>	<b>125</b>	<b>–</b>	<b>125</b>
Non-controlling interest			(61)
Goodwill			285
<b>Total purchase consideration</b>			<b>349</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Colégio Júlio Dinis, Lda (continued)**

**Consideration**

	<b>£'000</b>
Cash	–
Directly attributable costs	<b>349</b>
<b>Total purchase consideration</b>	<b>349</b>

**Cash outflow on acquisition**

	<b>£'000</b>
Purchase consideration settled in cash, as above	–
Directly attributable costs	<b>349</b>
	<b>349</b>
Less: Cash and cash equivalents acquired	<b>(29)</b>
<b>Net cash outflow on acquisition</b>	<b>320</b>

The results of Colégio Júlio Dinis, Lda and its subsidiary Creche Feliz, Lda since acquisition are as follows:

	<b>£'000</b>
Turnover	<b>122</b>
<b>Profit/(Loss) for the period since acquisition</b>	<b>(143)</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Copperfield Education Limited**

On 24 February 2023, Dukes Education Group Limited purchased 100% of the issued share capital of Copperfield Education Limited and its subsidiary Copperfield College SA.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	<b>Book value</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>adjustments</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>			
Tangible	615	–	615
	<b>615</b>	<b>–</b>	<b>615</b>
<b>Current Assets</b>			
Debtors	2,479	–	2,479
Cash at bank and in hand	917	–	917
<b>Total Assets</b>	<b>4,011</b>	<b>–</b>	<b>4,011</b>
<b>Creditors</b>			<b>–</b>
Due within one year	(5,223)	–	(5,223)
<b>Total identifiable net assets</b>	<b>(1,212)</b>	<b>–</b>	<b>(1,212)</b>
Goodwill			7,963
<b>Total purchase consideration</b>			<b>6,751</b>

**Consideration**

	<b>£'000</b>
Cash	6,507
Directly attributable costs	244
<b>Total purchase consideration</b>	<b>6,751</b>

**Cash outflow on acquisition**

	<b>£'000</b>
Purchase consideration settled in cash, as above	6,507
Directly attributable costs	244
	6,751
Less: Cash and cash equivalents acquired	(917)
<b>Net cash outflow on acquisition</b>	<b>5,834</b>



**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Copperfield Education Limited (continued)**

The results of Copperfield Education Limited since acquisition are as follows:

	£'000
Turnover	961
Profit/(Loss) for the period since acquisition	(1,331)

**Acquisition of Hove Village Day Nursery Limited**

On 2 September 2022, Little Dukes Ltd purchased 100% of the issued share capital of Hove Village Day Nursery Limited.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £'000	Fair value adjustments £'000	Fair value £'000
<b>Fixed Assets</b>			
Tangible	378		378
	378	–	378
<b>Current Assets</b>			
Debtors	169		169
Cash at bank and in hand	30		30
<b>Total Assets</b>	577	–	577
<b>Creditors</b>			–
Due within one year	(439)		(439)
Due after more than one year	(153)		(153)
<b>Total identifiable net assets</b>	(15)	–	(15)
Goodwill			7,299
<b>Total purchase consideration</b>			7,284

**Consideration**

	£'000
Cash	7,093
Directly attributable costs	191
<b>Total purchase consideration</b>	7,284

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Hove Village Day Nursery Limited (continued)**

**Cash outflow on acquisition**

	<b>£'000</b>
Purchase consideration settled in cash, as above	<b>7,093</b>
Directly attributable costs	<b>191</b>
	<b>7,284</b>
Less: Cash and cash equivalents acquired	<b>(30)</b>
<b>Net cash outflow on acquisition</b>	<b>7,254</b>

The results of Hove Village Day Nursery Limited since acquisition are as follows:

	<b>£'000</b>
Turnover	<b>3,471</b>
Profit/(Loss) for the period since acquisition	<b>611</b>

**Acquisition of Notting Hill Preparatory School Limited**

On 4 July 2023, Dukes Colleges Limited purchased 100% of the issued share capital of Notting Hill Preparatory School Limited and its subsidiary, The Acorn Nursery Schools Limited.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	<b>Book value £'000</b>	<b>Fair value adjustments £'000</b>	<b>Fair value £'000</b>
<b>Fixed Assets</b>			
Tangible	13,815	2,496	<b>16,311</b>
	<b>13,815</b>	<b>2,496</b>	<b>16,311</b>
<b>Current Assets</b>			
Debtors	3,847	–	<b>3,847</b>
Cash at bank and in hand	1,006	–	<b>1,006</b>
<b>Total Assets</b>	<b>18,668</b>	<b>2,496</b>	<b>21,164</b>
<b>Creditors</b>			<b>–</b>
Due within one year	<b>(9,786)</b>	–	<b>(9,786)</b>
Due after more than one year	<b>(5,341)</b>	(624)	<b>(5,965)</b>
<b>Total identifiable net assets</b>	<b>3,541</b>	<b>1,872</b>	<b>5,413</b>
Goodwill			<b>19,575</b>
<b>Total purchase consideration</b>			<b>24,988</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Notting Hill Preparatory School Limited (continued)**

**Consideration**

	<b>£'000</b>
Cash	<b>20,132</b>
Deferred consideration	<b>4,417</b>
Directly attributable costs	<b>439</b>
<b>Total purchase consideration</b>	<b>24,988</b>

**Cash outflow on acquisition**

	<b>£'000</b>
Purchase consideration settled in cash, as above	<b>20,132</b>
Directly attributable costs	<b>439</b>
	<b>20,571</b>
Less: Cash and cash equivalents acquired	<b>(1,006)</b>
<b>Net cash outflow on acquisition</b>	<b>19,565</b>

The results of Notting Hill Preparatory School Limited and The Acorn Nursery Schools Limited, since acquisition are as follows:

	<b>£'000</b>
Turnover	<b>1,824</b>
Profit/(Loss) for the period since acquisition	<b>117</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Acquisition of Tottoria Trading Unlimited**

On 3 April 2023, Dukes Ireland Ltd purchased 93.3% of the issued share capital of Tottoria Trading Unlimited.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	<b>Book value</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>adjustments</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>			
Tangible	26,245	(860)	25,385
	<b>26,245</b>	<b>(860)</b>	<b>25,385</b>
<b>Current Assets</b>			
Debtors	6,918	–	6,918
Cash at bank and in hand	8,627	–	8,627
<b>Total Assets</b>	<b>41,790</b>	<b>(860)</b>	<b>40,930</b>
<b>Creditors</b>			<b>–</b>
Due within one year	(7,955)	–	(7,955)
<b>Total identifiable net assets</b>	<b>33,835</b>	<b>(860)</b>	<b>32,975</b>
Goodwill			80,943
<b>Total purchase consideration</b>			<b>113,918</b>

**DUKES EDUCATION HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

**27 Business combinations (continued)**

**Consideration**

	<b>£'000</b>
Cash	<b>88,817</b>
Deferred consideration	<b>24,014</b>
Directly attributable costs	<b>1,087</b>
<b>Total purchase consideration</b>	<b>113,918</b>

**Cash outflow on acquisition**

	<b>£'000</b>
Purchase consideration settled in cash, as above	<b>88,817</b>
Directly attributable costs	<b>1,087</b>
	<b>89,904</b>
Less: Cash and cash equivalents acquired	<b>(8,627)</b>
<b>Net cash outflow on acquisition</b>	<b>81,277</b>

The results of Tottoria Trading Unlimited since acquisition are as follows:

	<b>£'000</b>
Turnover	<b>6,842</b>
Profit/(Loss) for the period since acquisition	<b>661</b>

**28 Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

*Transactions with parent undertakings*

At 31 August 2023, the group owed an amount of £nil (2022: £3,000) from Grove Education Partners Holdco Limited, an intermediate parent undertaking.

*Transactions with subsidiaries*

The following transactions and balances with and between the group and entities not 100% owned by the group are disclosed.

At 31 August 2023, the group was owed an amount of £4,893,000 (2022: £5,305,000) from Miss Daisy's Nurseries Ltd (92.5% owned) and its subsidiary.

DKS Opco Holdings Portugal, SA (60% owned) owed €396,256 to the group at the year end (2022: nil).

# DUKES EDUCATION HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 28 Related party transactions (continued)

##### *Transactions with subsidiaries (continued)*

The group made management charges totalling £142,121 to InvestIN Education Ltd (80% owned) during the year (2022: £nil). At 31 August 2023, the group owed an amount of £4,994,000 (2022: £3,800,000) to InvestIN Education Ltd (80% owned).

At 31 August 2023, the group was owed an amount of £339,000 (2022: £nil) from Miss Daisy's Nurseries Ltd (92.5% owned) and its subsidiary.

##### *Transactions with key management personnel:*

During the year, Earlscliffe Ltd, a subsidiary company, rented properties co-owned directly and indirectly by a director of Dukes Education Holdings Ltd and his spouse. The amount of rent paid was £285,000 (2022: £232,000). No amounts were outstanding at year end (2022: £nil).

Two directors of InvestIN Education Ltd, each indirectly owning 10% of that company, received market rate remuneration during the year.

Two directors of International Sharing School - Oeiras, SA, each beneficiaries of a family controlled fund that owns 26% of that company, received market rate remuneration during the year. In addition, free education is provided to 5 children who are related to the beneficiaries of that fund.

Two directors of United Lisbon International School SA, who also indirectly own 40% of that company, received discounted education for 2 children during the year. In addition, United Lisbon Education Hub SA, a company controlled by the two directors, received €1,688,679 in rent and other charges during the year from United Lisbon International School SA and a €5,000,000 contribution to the development costs of the building from DKS Propco Holdings Portugal SA.

#### 29 Pension commitments

The group operates a defined contribution pension scheme. In addition, certain other of the group's employees belong to the Teacher's Pension Scheme for England and Wales (TPS) which is a defined benefit scheme. Under the definition set out in Financial Reporting Standard (FRS 102), the TPS is a multi-employer pension scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the company has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension cost charge for the period represented contributions payable by the group to both schemes and amounted to £9,753,000 (2022: £5,586,000).

Contributions totalling £1,304,000 (2022: £962,000) were payable to the scheme at the end of the period and are included in creditors.

# **DUKES EDUCATION HOLDINGS LTD** **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2023**

## **30 Commitments under operating leases**

At 31 August 2023 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2023 £'000</b>	<b>Group 2022 £'000</b>
Not later than 1 year	<b>15,136</b>	12,681
Later than 1 year and not later than 5 years	<b>44,131</b>	37,261
Later than 5 years	<b>134,205</b>	95,321
	<b>193,472</b>	145,263

## **31 Controlling party**

The company is a wholly-owned subsidiary of Grove Education Partners Finance Ltd, its immediate parent undertaking, incorporated in Guernsey.

The company's ultimate parent undertaking, by virtue of its 100% ownership as at year ended 31 August 2023 was Grove Education Partners Holdco Limited incorporated in Guernsey. On 14 September 2023, the ultimate parent undertaking changed to Grove Education Partners Holdings Ltd, also a company incorporated in Guernsey following the insertion of a new top company to the existing group. This company is considered to have no single controlling party.

## **32 Post balance sheet events**

Following the year end, the group acquired the trade and assets of Colégio Júlio Dinis, the entire issued share capital of International Education Partnership S.L.U, the entire issued share capital of Poppins Nurseries Ltd, and the entire issued share capital of Limerick Educational Centre Ltd, for a combined consideration of £87 million.