

**EDU UK INTERMEDIATE LIMITED
ANNUAL REPORT
&
FINANCIAL
STATEMENTS**

31 December 2019

**Registered Number:
07285315**

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EDU UK INTERMEDIATE LIMITED

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EDU UK INTERMEDIATE LIMITED
DIRECTORS AND CORPORATE INFORMATION

DIRECTORS

E Lancaster
N Williams (appointed 31 May 2019)
D Leigh (resigned 31 May 2019)
A Petersen (resigned 31 May 2019)
D Rammal (resigned 31 May 2019)
P Wilde Jr (resigned 31 May 2019)

REGISTERED OFFICE

Brighton Study Centre
1 Billinton Way
Brighton
East Sussex
BN1 4LF

COMPANY REGISTERED NUMBER

Registered in England No. 07285315

**EDU UK INTERMEDIATE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for EDU UK Intermediate Limited (the Company) for the year ended 31 December 2019. The Company is domiciled in the United Kingdom with its registered office at Brighton Study Centre, 1 Billinton Way, Brighton, East Sussex, BN1 4LF. The Company is a part of a group (the Group) which is consolidated within the financial statements of the parent company SG Global Topco Limited. The Group is headquartered in London.

During the year, the Company continued to act as an intermediate holding company for the Group.

BUSINESS REVIEW

The loss for the financial year was £180,000 (2018: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company acts as an intermediate holding company in the Group in which it is consolidated. It does not generate revenue from parties outside of the consolidated Group and therefore the principal risk to the Company is the ability of the trading subsidiaries of the Group to continue to generate sufficient cash to meet its financing and operating requirements.

The risks to the subsidiaries are primarily global, economic and political risks; in particular those that impact on the willingness and ability of international students to travel to their centres to study, together with regulatory changes that may impede the ability of international students to study abroad.

This is discussed further in the EDU UK Intermediate Limited statutory accounts which are held at 1 Billinton Way, Brighton, BN1 4LF.

FUTURE DEVELOPMENTS

The Company will continue to operate as an intermediate holding company.



N Williams
Director
30 November 2020

**EDU UK INTERMEDIATE LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

GENERAL INFORMATION

EDU UK Intermediate Limited is an intermediate holding company registered in England and Wales with the company number 07285315.

PRINCIPAL ACTIVITIES

The Company is an indirect subsidiary of SG Global Topco Limited, which is the parent company of the Group. The principal activity of the Company is that of an intermediate holding company. The Group's principal activity is that of a private international education provider.

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

E Lancaster
N Williams (appointed 31 May 2019)
D Leigh (resigned 31 May 2019)
A Petersen (resigned 31 May 2019)
D Rammal (resigned 31 May 2019)
P Wilde Jr (resigned 31 May 2019)

DIRECTORS' INDEMNITY PROVISION

The Company maintains liability insurance for its Directors and officers. The Company has also provided an indemnity for its Directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity has been in place throughout the financial year and is in place as at the date of this report.

RESULTS AND DIVIDENDS

The loss for the financial year was £180,417 (2018: £nil).

The Company has taken advantage of the exemptions available for small businesses in choosing to not disclose dividends paid.

FINANCIAL INSTRUMENTS

The Company has no financial instruments, financial liabilities or financial assets.

It is, and has been throughout the year under review, the Company's policy that no speculative trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have been reviewed and remain unchanged.

Interest rate risk

The Company is charged compound interest on its long-term intercompany loans at a fixed rate of interest, and therefore the interest rate risk is deemed low.

Liquidity risk

The Group holds the responsibility for the Company's liquidity risk. Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Group, who have built an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group actively monitors compliance with its covenants relating to the Group term loans.

**EDU UK INTERMEDIATE LIMITED
DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Foreign currency risk

The Company's intercompany debtors and creditors are predominantly with other Group companies based in the UK and are denominated in Pound Sterling. Therefore foreign currency risk is deemed low.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year (2018: £nil).

CHARITABLE CONTRIBUTIONS

The Company made no charitable contributions during the year (2018: £nil).

GOING CONCERN

The Coronavirus pandemic continues to have a significant impact on both national and global economies. The Company's Directors are actively engaged in regularly monitoring the changes in all national and local government issued guidance and regulation. It is not currently possible to accurately determine how long the outbreak and associated disruption will continue. Whilst the Company's operation is not directly affected by the pandemic, the performance of a number of its investments are more directly affected by the pandemic and the Directors continue to monitor the effect that a change in performance of these investments would have on the results of the Company. The Company is keeping its resource levels and investments under close review in order to respond as flexibly as possible as the situation evolves. The Board is confident that the Company's strong financial position, together with its proactive management of the impact of the outbreak, will ensure that the Company will manage through the situation and will emerge in a good financial position.

Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

EVENTS AFTER THE BALANCE SHEET DATE

Events between the balance sheet date and the date the financial statements were issued are disclosed in Note 10.

AUDIT EXEMPTION

For the year ending 31 December 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.



N Williams
Director
30 November 2020

**EDU UK INTERMEDIATE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board of Directors
and signed on behalf of the Board



N Williams
Director
30 November 2020

EDU UK INTERMEDIATE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		(180)	-
Loss on ordinary activities before taxation		(180)	-
Tax charge		-	-
Loss for the financial year		(180)	-
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		(180)	-

EDU UK INTERMEDIATE LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
NON CURRENT ASSETS			
Investments	2	234,841	234,841
CURRENT ASSETS			
Other receivables	3	-	3,168
Creditors: amounts falling due within one year	4	-	(2,988)
NET CURRENT ASSETS		<u>-</u>	<u>180</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		234,841	235,021
NET ASSETS		<u>234,841</u>	<u>235,021</u>
CAPITAL AND RESERVES			
Called up share capital	5	-	-
Share premium	6	234,841	234,841
Accumulated profits		-	180
TOTAL SHAREHOLDERS' FUNDS		<u>234,841</u>	<u>235,021</u>

For the year ending 31 December 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements of EDU UK Intermediate Limited, Company Registration Number 07285315, on pages 6 to 11 were approved by the Board of Directors and signed on its behalf by:



N Williams
Director
30 November 2020

EDU UK INTERMEDIATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

2019	Share capital	Share Premium	Accumulated profits	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2019	-	234,841	180	235,021
Loss for the year	-	-	(180)	(180)
Balance at 31 December 2019	-	234,841	-	234,841

2018	Share capital	Share Premium	Accumulated profits	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2018	-	234,841	180	235,021
Balance at 31 December 2018	-	234,841	180	235,021

EDU UK INTERMEDIATE LIMITED

NOTES TO FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 GENERAL INFORMATION

EDU UK Intermediate Limited is a company incorporated and domiciled in the UK. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

1.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') on the historical cost basis.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but makes amendments where necessary in order to comply with the Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- the requirements of IAS 24 Related Party Transactions and has, therefore, not disclosed transactions between the Company and its wholly owned subsidiaries;
- disclosure requirements concerning situations when an entity has not applied a new IFRS that has been issued but is not yet effective;
- a statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead); and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

1.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE FROM 1 JANUARY 2019

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 which have had a material impact on the Company.

1.4 GROUP FINANCIAL STATEMENTS

The financial statements contain information about EDU UK Intermediate Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, SG Global Topco Limited. The consolidated financial statements of SG Global Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Brighton Study Centre, 1 Billinton Way, Brighton, East Sussex, BN1 4LF.

1.5 INVESTMENTS

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less any impairment. Assets that have an indefinite useful life are tested for impairment when a trigger event occurs. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount, which is considered to be the higher of its value in use and fair value less costs to sell. In order to assess impairment, assets are grouped into the lowest levels for which there are separately identifiable cash flows.

1.6 SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares issued are shown as share capital at nominal value. The premium received on the issuance of shares in excess of the nominal value is shown as share premium within shareholders' equity.

1.7 GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Principal Risks and Uncertainties and Going Concern sections of the Directors' Report on page 4.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

EDU UK INTERMEDIATE LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)

1.8 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded in GBP at the exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from such transactions are recognised in the Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and any exchange differences are taken to the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to foreign currency loans and other foreign exchange adjustments are included within finance income and expenses.

2. INVESTMENTS

	Investments in subsidiaries £'000
Cost	
At 1 January 2019	<u>234,841</u>
At 31 December 2019	<u>234,841</u>
 Net book value at 31 December 2019	 <u><u>234,841</u></u>
Net book value at 31 December 2018	<u>234,841</u>

The Directors believe that the carrying value of the investments at year end is supported by their underlying assets.

A summary of the Company's direct investments at the balance sheet date is as follows:

Name of Entity	Country of Incorporation	Nature of Business	Ownership 2019 %	Ownership 2018 %
EDU UK Management Services Limited	United Kingdom	Holding company	100	100

3. OTHER RECEIVABLES

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>-</u>	<u>3,168</u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to group undertakings	<u>-</u>	<u>2,988</u>

5. SHARE CAPITAL

	2019 Number of shares	£	2018 Number of shares	£
<i>Ordinary shares authorised, allotted and issued of £1 each</i>				
Balance at the beginning of the year	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Balance at 31 December	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

EDU UK INTERMEDIATE LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)

6. SHARE PREMIUM

	2019 £'000	2018 £'000
Share premium	<u>234,841</u>	<u>234,841</u>

Subordinated preference certificates (SPCs) have been issued by subsidiary undertakings. The SPCs are redeemable at the option of the issuer by applying the predetermined redemption price, which is £1 for each SPC. The SPCs are unsecured and rank behind all other obligations of the Company except that they rank ahead of the shares on issue. These instruments are carried at cost and have a redemption date of 1 July 2040; however the Company can defer the redemption date indefinitely.

7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There are no employees of the Company other than the Directors. The Directors are remunerated through other group companies.

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is EDU UK Topco Limited.

The ultimate parent undertaking and controlling party is Ardian LBO Fund VI B S.L.P, a company incorporated in France.

The parent company of the largest consolidated group is SG Global Topco Limited. The consolidated accounts are available from 1 Billinton Way, Brighton, BN1 4LF.

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in IAS 24 from the requirement to disclose transactions between the Company and its wholly owned subsidiaries.

10. EVENTS AFTER THE BALANCE SHEET DATE

The Coronavirus pandemic continues have a significant impact on both national and global economies. The full details of the Directors response to the pandemic is set out in the going concern review section of the Directors report. There were no other significant events that are required to be disclosed occurring between the Balance Sheet date and the date of signing of these financial statements.