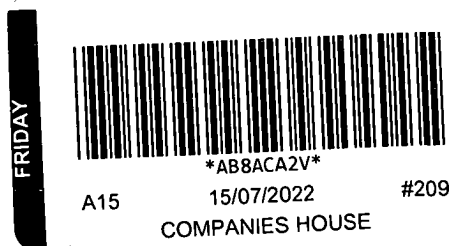


KAPLAN BOURNEMOUTH LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 25 DECEMBER 2021



KAPLAN BOURNEMOUTH LIMITED

COMPANY INFORMATION

DIRECTORS

L Cowan
D Jones
A Thick

COMPANY SECRETARY

R Dupont

REGISTERED NUMBER

08291927

REGISTERED OFFICE

Palace House
3 Cathedral Street
London
SE1 9DE

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

KAPLAN BOURNEMOUTH LIMITED

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KAPLAN BOURNEMOUTH LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

The directors present their report and the financial statements for the 52 weeks ended 25 December 2021 ("the financial year").

PRINCIPAL ACTIVITY

The Company operates an international college, as an affiliated college of Bournemouth University ("the University"), offering higher education programmes for international students as preparation for study at the University.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is party to a co-operation agreement with Bournemouth University and operates as an international college affiliated with the University providing courses of study for international students wishing to progress to study at the University. Its revenue streams are student related; they are tuition fees, accommodation and fees for other miscellaneous products, and fees charged to the university for students who have successfully completed their course at the college and enrolled on a university programme. It also acts as an authorised representative of an insurance services company for the sale of travel insurance to students.

The Company made a loss during 2021. The COVID-19 pandemic continued to present a significant challenge to student recruitment for the Company's academic programmes. Occupancy of the Company's student accommodation improved compared to the prior year. However, the abundance of supply of student rooms in Bournemouth continues to exert downward pressure on room rates.

Significant progress was made during the year to remove the cladding from the student residence which the Company operates under a long term lease. Work will be completed in 2022.

The Company has a student visa licence which allows it to sponsor international students to apply for a student visa and study the college. The licence is subject to annual basic compliance assessments (BCA) by the United Kingdom Visa and Immigration service ("UKVI"). Statistics to date are well within the core measurable requirements to ensure the Company meets the stringent compliance framework the UKVI requires. The licence also depends on maintaining Education Oversight. This is regulated by The Office for Students, which the Company falls under through the group registration held by its parent company, Kaplan International Colleges UK Limited.

At the current time, the directors believe the principal risks and uncertainties facing the Company are the impact of the COVID-19 pandemic, general economic environment, geo-political factors and increased competition.

In 2021, the Company continued to follow government guidance which resulted in a mix of face-to-face and online teaching at various times during the year. The Company kept the college open, whenever permissible, to provide teaching, student well-being support, and access to facilities. Larger group teaching was delivered online. The Company was well equipped to deliver this hybrid approach because of the online modes of delivery adopted in the prior year in response to the pandemic.

The directors mitigate competition risk by having management regularly review the market to ensure pricing is attractive and by making student outcomes and service levels a high priority to attract and grow student numbers and by trying, through breadth of our agent support network, to reduce the dependence for student recruitment, on any single market.

Management has carried out a risk assessment by reviewing the make-up of its student body to identify risks to its liquidity. The Company has a broad footprint in relation to the geographical spread of its overseas students, who have either paid in advance, or are funded by sponsorships. It is felt that this breadth will soften the impact of certain markets being strongly impacted by the pandemic, either because of the fall in local revenues, or an adverse movement in exchange rates. Management maintains a regular review of outstanding student debt thereby reducing the risk of recognising revenue which could result in an increase in bad debt expense.

The directors also believe that the Company's operating model would be exposed if the government decided to make significant changes to the laws and regulations of the UKVI in relation to the issuing of student visas. The directors manage this risk by placing great emphasis on awareness of and compliance with UKVI regulations. Internal reviews and staff training are considered a vital component of this.

KAPLAN BOURNEMOUTH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

RESULTS AND DIVIDENDS

Turnover for the year amounted to £4.1m (2020: £4m). The loss for the financial year of £1.3m (2020: £1.7m) was charged against reserves. Net liabilities as at 25 December 2021 were £3.2m (2020: £1.9m).

No dividends were paid during the year (2020: £NIL).

DIRECTORS

The directors who served during the financial year were:

L Cowan
D Jones
A Thick

KEY PERFORMANCE INDICATORS

The directors utilise a wide range of operational performance measures to monitor the Company's business activities. However, the operational performance measures are all specific to a particular target. The Company's directors do not believe that using further key performance indicators would be necessary or appropriate for an understanding of the development, performance or position of the business as a whole.

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, 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 during the financial year and is currently in force at the date of approval of the financial statements. The Company also purchased and maintained throughout the financial year, via Graham Holdings Company, its ultimate parent company, Directors' and Officers' liability insurance in respect of itself and its directors.

EMPLOYEES' INDEMNITIES

The Company maintains liability insurance for all employees. The liability insurance was in force during the financial year and also at the date of approval of the financial statements.

KAPLAN BOURNEMOUTH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks including credit risk, liquidity risk, cash flow risk and foreign exchange risk arising from the Company's normal business activities. These risks and the Company's approach to dealing with them are discussed below.

Credit risk

Credit risk is the potential exposure of the Company to loss in the event of non-performance by a counterparty. The Company controls this risk by use of appropriate credit checks, limits and monitoring procedures

Liquidity risk

Liquidity risk is the risk that insufficient working capital will be generated by the Company's business activities and that in this event suitable sources of funding may not be available. The Company mitigates this risk by exercising effective credit management and, when required, receiving sufficient funding from its ultimate parent company for operations and long-term investment plans. There is no commercial borrowing.

Cash flow risk

Cash flow risk is the risk that there are insufficient funds to meet obligations as they fall due. The Company collects tuition fees in advance from the majority of its students. The Company is part of an automated cash sweeping arrangement which is in place across the Kaplan UK group. This arrangement sweeps excess funds from the Company but also ensures the Company can draw on funds as and when required to meet its liquidity needs.

Foreign exchange risk

Foreign exchange risk is the risk that foreign assets or liabilities may be adversely affected by the change in the value of the foreign currencies. The majority of transactions are sterling denominated and the Company settles or seeks settlement of foreign currency denominated balances as quickly as possible to mitigate any exchange risk.

Price risk

The Company has no exposure to equity securities price risks, as it holds no equity investments other than investments in subsidiary companies.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTIONS

In 2021, the reporting requirement is satisfied by information included in the Director's report of the Company's parent, Kaplan International Colleges U.K. Limited.

GOING CONCERN

The financial statements disclose all matters of which we are aware that are relevant to the ability of the Company to continue as a going concern, including all significant conditions and events, mitigating factors and plans of the Company.

In 2021, the loss suffered was attributed to challenging trading conditions, which have existed in previous years and are forecast to continue in the near future, particularly the rates achievable on our student accommodation. However, long-term commitment by management & prospects for the Company (which has a long-term co-operation agreement with the University) remain strong. The Company has the intent and ability to take actions necessary to continue as a going concern and has obtained a letter of support from Graham Holdings Company (the ultimate parent company) which provides support for meeting our liabilities as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities. This support will take the form of cash injection or parent company guarantees where appropriate and the support has been provided for a minimum period of 12 months from the date of signing of the financial statements.

KAPLAN BOURNEMOUTH LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

EVENTS AFTER THE REPORTING DATE

There are no significant events subsequent to the Statement of Financial Position date.

DIRECTORS' CONFIRMATIONS

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's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

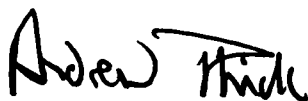
AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES' EXEMPTION

In accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, the Company is exempt from the requirements to prepare a Strategic Report.

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



A Thick
Director

Date: 8 July 2022

Palace House
3 Cathedral Street
London
SE1 9DE

KAPLAN BOURNEMOUTH LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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 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 the financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KAPLAN BOURNEMOUTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPLAN BOURNEMOUTH LIMITED

OPINION

We have audited the financial statements of Kaplan Bournemouth Limited (the 'Company') for the 52 weeks ended 25 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 25 December 2021 and of its loss for the 52 weeks 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KAPLAN BOURNEMOUTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPLAN BOURNEMOUTH LIMITED (CONTINUED)

OPINION 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 Directors' Report for the financial 52 weeks for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPLAN BOURNEMOUTH LIMITED
(CONTINUED)**

AUDITORS' 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 Auditors' 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquires of management and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries, and these were identified as the greatest potential area for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included compliance with Health and Safety regulations; UK Visa Immigration, Safeguarding and GDPR; Company law; and tax and employment legislation.

KAPLAN BOURNEMOUTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPLAN BOURNEMOUTH LIMITED (CONTINUED)

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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. This description forms part of our Auditors' Report.

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 Auditors' 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.

Bishop Fleming LLP

John Talbot FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL
Date: 12/07/2022

KAPLAN BOURNEMOUTH LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

		52 weeks ended 25 December 2021 £000	52 weeks ended 26 December 2020 £000
	Note		
Turnover	4	4,145	4,039
Cost of sales		(1,108)	(1,309)
GROSS PROFIT		3,037	2,730
Administrative expenses		(4,679)	(4,763)
OPERATING LOSS	5	(1,642)	(2,033)
Tax on loss	8	317	336
LOSS FOR THE FINANCIAL YEAR		(1,325)	(1,697)

There was no other comprehensive income for 2021 (2020: £NIL).

The notes on pages 13 to 27 form part of these financial statements.

KAPLAN BOURNEMOUTH LIMITED
REGISTERED NUMBER:08291927

STATEMENT OF FINANCIAL POSITION
AS AT 25 DECEMBER 2021

	Note	25 December 2021 £000	26 December 2020 £000
FIXED ASSETS			
Tangible assets	9	4,600	4,734
Investments	10	-	-
		<u>4,600</u>	<u>4,734</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	4,837	2,456
Cash at bank and in hand		-	-
		<u>4,837</u>	<u>2,456</u>
Creditors: amounts falling due within one year	12	(11,989)	(8,496)
NET CURRENT ASSETS		<u>(7,152)</u>	<u>(6,040)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,552)</u>	<u>(1,306)</u>
PROVISIONS FOR LIABILITIES			
Other provisions	14	(657)	(578)
		<u>(657)</u>	<u>(578)</u>
NET LIABILITIES		<u>(3,209)</u>	<u>(1,884)</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Share premium account		2,000	2,000
Profit and loss account		(5,209)	(3,884)
		<u>(3,209)</u>	<u>(1,884)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



A Thick
Director

Date: 8 July 2022

The notes on pages 13 to 27 form part of these financial statements.

KAPLAN BOURNEMOUTH LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 27 December 2020	-	2,000	(3,884)	(1,884)
Loss for the financial year	-	-	(1,325)	(1,325)
AT 25 DECEMBER 2021	-	2,000	(5,209)	(3,209)

The notes on pages 13 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEKS ENDED 26 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 29 December 2019	-	2,000	(2,187)	(187)
Loss for the financial year	-	-	(1,697)	(1,697)
AT 26 DECEMBER 2020	-	2,000	(3,884)	(1,884)

The notes on pages 13 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

1. GENERAL INFORMATION

Kaplan Bournemouth Limited ("the Company") operates an international college, as an affiliated college of Bournemouth University ("the University"), offering higher education programmes for international students as preparation for study at the University.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Palace House, 3 Cathedral Street, London, England, SE1 9DE.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The 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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Kaplan International Colleges U.K. Limited as at 25 December 2021 and these financial statements may be obtained from its registered office.

2.3 GOING CONCERN

The financial statements disclose all matters of which we are aware that are relevant to the ability of the Company to continue as a going concern, including all significant conditions and events, mitigating factors and plans of the Company. The Company also has the intent and ability to take actions necessary to continue as a going concern, and has obtained a letter of support from Graham Holdings Company (the ultimate parent company) which provides support for meeting our liabilities as and when they fall due, but only to the extent that money is not otherwise available to meet such liabilities. This support will take the form of cash injection of parent company guarantees where appropriate and the support has been provided for a minimum period of 12 months from the date of signing of the financial statements.

2. ACCOUNTING POLICIES (continued)

2.4 FOREIGN CURRENCY TRANSLATION

The Company's functional and presentational currency is GBP.

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 year 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Turnover in the form of tuition fees and enrolment fees, is recognised over the number of teaching weeks of the relevant course, which may span a financial year. Any receipts in advance of a course starting date are held on the Statement of Financial Position as deferred income.

Rental income on the provision of accommodation to students is recognised in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Turnover relating to commission from the sale of travel insurance on an agency basis, is recognised in full at the point of sale.

Placement fees earned from the University are due on and are recognised in full on enrolment of students from the International College on the University programmes.

Turnover relating to the sale of goods is recognised when goods are delivered.

2.6 OPERATING LEASES: THE COMPANY AS LESSEE

Rents due under operating leases are charged to the Statement of Comprehensive Income based on the amount contractually due for the year. Operating leases where increases are not deemed inflationary are charged on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.7 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company which is administered by Aviva Insurance.

2.8 CURRENT AND DEFERRED 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 reporting date in the countries where the Company operates and generates income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets 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 reporting date.

2. ACCOUNTING POLICIES (continued)

2.9 TANGIBLE FIXED 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Assets under construction are measured at cost less any recognised impairment loss. These assets are capitalised when they are considered ready for use and depreciated from such date.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short leasehold improvements	- Life of lease
Fixtures and fittings	- 2-8 years
Computer equipment	- 3-5 years

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.

2.10 VALUATION OF INVESTMENTS

Investments are stated at cost less amounts written off in respect of permanent diminutions in value.

2.11 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.

2.12 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.

2.13 CREDITORS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

2. ACCOUNTING POLICIES (continued)

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

2.15 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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.

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 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 Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of short-term debtor balances is accounted for based on the status of the students, whether the amounts owed in relation to students have been guaranteed by sponsors and whether there are any market or financial conditions which could result in non-payment. These reviews are conducted during the financial year and at the Statement of Financial Position date and provision for impairments are based on market information and historic trends.

The Company is engaged in a lease arrangement for the provision of student accommodation. As part of the lease arrangement, the Company is responsible for the cost of replacing, reinstalling or rectifying the assets where there is a present contractual or statutory requirement. Where settlement of these obligations is considered probable, amounts are recorded in accruals or provisions.

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as technological innovation, product life cycles and maintenance programmes.

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability. Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

The Company is at a very advanced stage in finalising an agreement to share the cost with two other parties of certain work on a property over which the Company has a lease. This work is legally required. The accounts have been prepared on the basis that this agreement is executed as expected, and that the Company only recognises its share of these costs.

KAPLAN BOURNEMOUTH LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021****4. TURNOVER**

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

	52 weeks ended 25 December 2021 £000	52 weeks ended 26 December 2020 £000
Tuition fees	1,671	1,711
University placement fees	148	141
Accommodation income	2,171	2,079
Insurance commission	22	14
Other income	133	94
	4,145	4,039

All turnover arose within the United Kingdom.

5. OPERATING LOSS

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

	52 weeks ended 25 December 2021 £000	52 weeks ended 26 December 2020 £000
Staff costs (note 6)	1,076	1,021
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	16	12
Fees payable to the Company's auditors for other services	3	6
Depreciation of tangible assets (note 9)	173	178
Impairment of trade debtors	12	97
Exchange differences	10	(26)
Operating lease charges plant and machinery	-	8
Operating lease charges land and buildings	2,377	2,410

KAPLAN BOURNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

6. EMPLOYEES

	52 weeks ended 25 December 2021 £000	52 weeks ended 26 December 2020 £000
Wages and salaries	954	904
Social security costs	87	82
Cost of defined contribution scheme	35	35
	<u>1,076</u>	<u>1,021</u>

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

	52 weeks ended 25 December 2021 No.	52 weeks ended 26 December 2020 No.
Tuition	23	10
Administration	21	16
	<u>44</u>	<u>26</u>

In 2021, the calculation to determine the average number of employees during the year was revised to include both permanent and timesheet staff. Previously, it was only the permanent staff that was included.

7. DIRECTORS' REMUNERATION

Kaplan International Colleges U.K. Limited, the immediate parent undertaking, bears the cost of remuneration of two directors (2020: three). Aspect Education Limited, a fellow subsidiary undertaking, also bears the cost of remuneration for one director (2020: one). Details of the remuneration can be found in those companies' financial statements. It is not possible to make an appropriate apportionment for the element of remuneration which relates to the Company.

KAPLAN BOURNEMOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

8. TAXATION

	52 weeks ended 25 December 2021 £000	52 weeks ended 26 December 2020 £000
CORPORATION TAX		
Adjustments in respect of previous periods	1	18
	<u>1</u>	<u>18</u>
Group taxation relief	(287)	(347)
	<u>(286)</u>	<u>(329)</u>
TOTAL CURRENT TAX	<u>(286)</u>	<u>(329)</u>
DEFERRED TAX		
Origination and reversal of timing differences	(25)	(13)
Adjustments in respect of previous periods	(1)	4
Effect of tax rate change on opening balance	(5)	2
TOTAL DEFERRED TAX	<u>(31)</u>	<u>(7)</u>
TAXATION ON LOSS ON ORDINARY ACTIVITIES	<u>(317)</u>	<u>(336)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

8. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR**

The tax assessed for the financial year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	52 weeks ended 25 December 2021 £000	52 weeks ended 26 December 2020 £000
Loss on ordinary activities before tax	(1,642)	(2,033)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(312)	(386)
EFFECTS OF:		
Fixed asset differences	7	8
Adjustments to tax charge in respect of prior periods - deferred tax	(1)	4
Adjustments to tax charge in respect of prior periods - current tax	1	36
Remeasurement of deferred tax for changes in tax rates	(12)	2
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR	(317)	(336)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In March 2021, the Chancellor announced that the corporation tax rate from 1 April 2023 would increase to a maximum rate of 25%. Finance Act 2021 including this increase received Royal Assent on 10 June 2021.

KAPLAN BOURNEMOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

9. TANGIBLE FIXED ASSETS

	Short leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
COST					
At 27 December 2020	1,390	1,320	84	2,797	5,591
Additions	-	-	46	15	61
Disposals	-	(34)	(8)	(22)	(64)
At 25 December 2021	1,390	1,286	122	2,790	5,588
DEPRECIATION					
At 27 December 2020	200	574	83	-	857
Charge for the year	40	118	15	-	173
Disposals	-	(34)	(8)	-	(42)
At 25 December 2021	240	658	90	-	988
NET BOOK VALUE					
At 25 December 2021	1,150	628	32	2,790	4,600
At 26 December 2020	1,190	746	1	2,797	4,734

KAPLAN BOURNEMOUTH LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021****10. FIXED ASSET INVESTMENTS****£000****NET BOOK VALUE**

At 25 December 2021

-

At 26 December 2020

-

An investment of HKD 1 was made in 2014 in Kaplan Partner Services (HK) Limited.

Name of investment	Country of incorporation	Principal activity	Percentage of ordinary shares held
Kaplan Partner Services (HK) Limited	Hong Kong	Management of student recruitment agents	10%

11. DEBTORS

	25 December 2021 £000	26 December 2020 £000
Trade debtors	1,531	707
Amounts owed by group undertakings	1,735	303
Other debtors	173	370
Prepayments and accrued income	1,067	738
Deferred taxation (note 13)	44	13
Corporation tax	287	325
	4,837	2,456

Trade debtors are stated after provisions for impairment of £106k (2020: £103k).

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

KAPLAN BOURNEMOUTH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 December 2021 £000	26 December 2020 £000
Amounts owed to group undertakings	6,414	3,605
Other taxation and social security	77	84
Accruals and deferred income	5,498	4,807
	<u>11,989</u>	<u>8,496</u>

13. DEFERRED TAXATION

	2021 £000
At beginning of year	13
Credit to the statement of comprehensive income	31
AT END OF YEAR	<u><u>44</u></u>

The deferred tax asset is made up as follows:

	25 December 2021 £000	26 December 2020 £000
Accelerated capital allowances	(121)	(97)
Short term timing differences	165	110
	<u>44</u>	<u>13</u>

KAPLAN BOURNEMOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 25 DECEMBER 2021

14. PROVISIONS

	Dilapidations provision £000
At 27 December 2020	578
Charged to profit or loss	79
AT 25 DECEMBER 2021	657

The dilapidations provision is based on the future expected repair costs required to restore the leased building to their fair condition at the end of their respective lease terms.

15. SHARE CAPITAL

	25 December 2021 £	26 December 2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
1 (2020: 1) Ordinary shares of £1	1	1

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

16. PENSION COMMITMENTS

The Company contributes to a group Personal Pension Plan administered by Aviva Insurance. The pension charge for the financial year amounted to £35k (2020: £35k). At 25 December 2021, there were no contributions outstanding (2020: £Nil).

17. COMMITMENTS UNDER OPERATING LEASES

At 25 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	25 December 2021 £000	26 December 2020 £000
Not later than 1 year	3,110	2,984
Later than 1 year and not later than 5 years	9,086	8,996
Later than 5 years	8,249	10,555
	20,445	22,535

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 25 DECEMBER 2021**

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the FRS102, Section 33; exemption not to disclose related party transactions with wholly owned subsidiaries within the group as consolidated financial statements are publicly available.

At the balance sheet date, the Company was owed £1,735k (2020: £303k) by and owed £6,414k (2020: £3,605k) to fellow group undertakings.

19. CONTROLLING PARTY

Throughout the year the Company was a wholly owned subsidiary of the immediate parent undertaking company Kaplan International Colleges U.K. Limited. The group in which the results of the Company are consolidated is that of its immediate parent company. Its registered address is Palace House, 3 Cathedral Street, London, England, SE1 9DE.

The results of the Company are consolidated in the ultimate holding company and controlling party, Graham Holdings Company, which is incorporated in the USA. Copies of its consolidated financial statements can be found online on the Graham Holdings' Company website (www.ghco.com). Its registered address is 1300 North 17th Street, Suite 1700, Arlington VA 22209, United States.