Parent Company Accounts

ISP Colombia Limited

09912868

Parent company guarantee for purposes of exemption from individual company accounts stated on page 17 and 18.

International Schools Partnership Limited
100 New Bridge Street, London,
United Kingdom, EC4V 6JA

Consolidated financial statements
for the financial year ended 31 August 2021
Registered number 09817502

Contents

Consolidated strategic report	- 2 -
Consolidated directors' report	- 7 -
Statement of directors' responsibilities	- 8 -
Independent Auditor's report to the members of International Schools Partnership Limited	- 9 -
Group consolidated statement of comprehensive loss	- 12 -
Group consolidated statement of financial position	- 13 -
Group consolidated statement of cash flows	- 14 -
Group consolidated statement of changes in equity	- 15 -
Notes to the group consolidated financial statements	- 16 -
Company balance sheet	- 63 -
Company statement of changes in equity	- 64 -
Notes to the company financial statements	- 65 -

Consolidated strategic report

The Directors present the Strategic report and the financial statements of International Schools Partnership Limited (("the Company"), together with its subsidiaries ("the Group")) for the year ended 31 August 2021.

Group's principal activities and events of the 2021 financial year

The core activity of the Group is kindergarten through to twelfth grade (K-12) education. Through its subsidiaries the Company acquires and builds schools around the world, creating a global schools Group incorporating schools with an international outlook, which are or can become the school of choice in their local area. At the year-end date the Group owned and operated 51 (2020: 46) schools with circa 46,936 (2020: 44,500) children enrolled from 2-18 years of age studying in the United Kingdom, Spain, Italy, Switzerland, Mexico, Malaysia, Costa Rica, the USA, Canada, Qatar, the United Arab Emirates, Ecuador, Chile, Peru and Colombia. The schools offer a diverse and enriching educational experience spanning British, Malaysian, International, Mexican, US, Costa Rica, Peruvian, Chilean, Colombian and Spanish curricula.

During the year, the Group made 5 acquisitions (2020: 3 acquisitions): Lynn Rose College and Rowntree Montessori (Toronto, Canada), The British School of Geneva (Geneva, Switzerland), Mile Bilingual School (Milan, Italy) and British Royal School (Santiago, Chile). Post year-end the Group has added 4 further schools based in Malaysia, Switzerland, India and the US, bringing the number of schools it owns and operates to 55.

The Group completed an equity refinancing in July 2021 to raise further equity capital for future acquisitions. The refinancing resulted in Partners Group retaining a majority shareholding but also included investment by a new minority shareholder, OMERS ("Ontario Municipal Employees Retirement System"). The debt facility agreement with Arcmont Asset Management, Goldman Sachs Asset Management and Santander UK Plc was also amended to reflect additional draw down facilities and revised financial covenants. The changes in equity and the debt facilities are disclosed in more detail within the relevant notes to the financial statements.

Results and position

The Group had net assets of €110,510,000 as at 31 August 2021 (2020: Net liabilities of €(323,724,000)) and has made a loss of €(94,267,000) during the financial year 2021 (2020: €(124,368,000)), which will be carried forward to the following financial year. Revenue for the financial year 2021 was €296,970,000 (2020: €277,070,000). The year-on-year movements are mainly attributable to the acquisition of 5 schools in 2021.

The Group's Directors assess performance and business risk using regular reporting by each subsidiary and investment which includes monitoring against agreed budgets and a set of key performance indicators ("KPIs"). The KPIs comprise both financial and non-financial measures. Non-financial KPIs primarily include ratios relating to student enrolments and staffing, but also incorporate other key metrics associated with health and safety, the learning performance of the school, ISA testing and academic results. The key KPIs are as follows:

	Year Ended 31 August 2021	**Year Ended 31 August 2020**
Number of pupils	46,936	44,500
Number of schools	51	46
Adjusted EBITDA (€'000)*	46,084	49,305

During this financial year, the Group experienced further significant disruption due to the COVID-19 pandemic which saw many school buildings closed for significant periods. The Group has continued to operate distance learning whilst school buildings were closed and blended learning (mixture of on premise and distance learning) in many of its schools when school buildings were allowed to re-open due to the restrictions required to meet guidelines and rules on social distancing. The total impact of COVID-19 which includes subsidies given to parents, lost income on other services net of savings from furloughing staff and controlling expenditure is estimated to be around €9.1 million in the year ended 31 August 2021 (2020: €13.1 million).

The change in each of these metrics during the year reflects both the acquisitions made (in the current and prior year) and the capital investment in existing schools to increase capacity. The increase in pupils reflects the varying size of the schools acquired during the financial year 2021. The decrease in adjusted EBITDA is mainly attributable to professional and consultancy fees incurred as part of the refinancing transaction which took place in July 2021.

*Adjusted EBITDA is calculated by adding back the following amounts to the operating loss: Depreciation of property, plant & equipment, Impairment of property plant & equipment, Amortisation of intangible assets and Impairment of intangible assets. A reconciliation between statutory and adjusted EBITDA is included on page 12.

Consolidated strategic report (continued)

Results and position (continued)

Key risks and uncertainties
The management of the business and the execution of the Group's strategy are subject to several risks. The key business risks affecting the Group are set out below:

Brexit
On 31 January 2020 the UK left the European Union ('EU') after consensus was reached by the UK and EU on a withdrawal agreement. Britain's decision to leave the EU has not had any adverse impact on the business to date. Risks relating to Brexit, along with any associated supply chain and people risks, are relatively low to the Group, due to the geographical diverse nature of the investment portfolio and percentage of operations in the United Kingdom.

Enrolments
Increasing enrolments in our schools is critical to financial performance. The Group continues to invest and improve the facilities at the schools to retain and attract new students. The Group regularly reports on pipeline students as well as existing students so that the outlook is monitored. We continue to invest in our marketing and admissions capability particularly in the digital space to promote our schools as widely as possible.

Employees
The Group's performance depends on the head teachers and staff in each of its schools and the various regional teams. The resignation of key individuals and the inability to recruit people with the right experience and skills from either local, national or international communities could adversely impact the Group's results. To mitigate these risks, the Group has a review, personal development and succession planning programme for key employees and regularly monitors its reward structure to ensure that it retains key employees. In addition, the Group has well established recruitment processes to enable us to source high quality replacement staff and it has continued to invest in Group and regional specialist employees to support the on-going expansion of the Group. The Group regularly surveys its employees using NPS data to provide feedback to the schools and determine actions to improve employee engagement.

License to operate
To operate our schools, we maintain various accreditations from curriculum providers and licenses from local education authorities. If any of our schools fails to meet the standard, it could lose its license which could materially adversely affect our business prospects. Our regional structures include a regional managing director, supported by a director of learning who supports the regional managing director and head teachers to ensure that we meet the required educational standards and a regional head of property who supports the regional managing director on ensuring that schools are well invested and licences are maintained.

Fee increases
The Group needs to be able to sustain fee increases going forward to cover increases in operational costs, provide continual improvements in the students learning and provide investment in the schools' facilities. Each school's ability to increase fees is dependent on several factors including local competition, quality of education at the school, local demographic and parent satisfaction as well as the local inflation rates

Financial risks
The Group's activities expose it to a variety of financial risks: market risk (including cash flow, foreign currency, interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors. The Group's objective when managing capital is to safeguard its ability to continue as a going concern, to provide returns to the shareholders and to maintain an optimal capital structure to optimise the cost of capital.

(a) Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Consolidated strategic report (continued)

Key risks and uncertainties (continued)

(a)(i) Foreign currency risk
Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Group is mainly exposed to currency risk on purchases (accounting, audit and administrative services) that are denominated in a currency other than the functional currency. Foreign currency translation risk will continue to be significant given the diverse portfolio. A significant weakening of a currency in a region could adversely impact the value of future dividends from investments in that region. To mitigate foreign currency risk the Group holds bank accounts in all the currencies that the Group operates in. The Group acquired schools in three new countries during the year, Canada, Italy and Switzerland further adding to foreign currency risk on repatriated earnings.

(a)(ii) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its exposure to the interest rate risk by implementing an interest rate swap to fix the interest on its borrowings from third parties. No hedge accounting is needed for this treatment.

(b) Credit Risk
Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group typically invoices customers in advance and has policies in place covering subsequent cash collection, which include regular review of outstanding receivables.

The carrying amount of current receivables represents the maximum credit exposure.

(c) Liquidity risk
The Group manages liquidity risk by maintaining adequate cash balances and borrowing facilities, loans granted by the shareholders, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group also performs regular cash forecasting at the subsidiary level along with the funding required for central and local cost centres. Funding for new transactions, including due diligence and other pre-transaction costs, is assessed and drawn down on a case-by-case basis.

COVID-19
The Group's activities in response to the COVID-19 pandemic are being managed by the Board of Directors. The safety and wellbeing of our students, colleagues and families is the top priority. The financial risks are being managed on a regular basis in response to the unknown significance and nature of the disruption. Forecasting and budgets have been updated in response to the pandemic.
Similar to the prior year, the adverse impact of COVID-19 largely affected the Group's operational cashflows for the year ended 31 August 2021, due to loss of some early years students, subsidies to parents and some ancillary activities being unable to occur when expected. There is expected to be a reducing impact going forward as schools re-open fully or students adapt to distance learning. The main impact going forward is expected to be around lower ancillary revenues and schools are mitigating this by eliminating operational expenditure linked to these services that are no longer occurring. These mitigating factors are expected to be the only effects on the business model of the Group.

Environmental matters
The Group's activity has a minimal impact on the environment, however, the directors believe that good environmental practices support the broader strategy of enhancing the reputation of the Group as well as fostering staff, parents and students morale. The Group is committed to reducing its Carbon emissions as well as emission of other greenhouse gases and encourages energy and waste saving initiatives. The Group has committed to an initiative which will see it plant a tree for every student and employee using a reforestation specialist company, Tree Nation and is also investing in installing solar power across its schools.

Greenhouse gas emissions, energy consumption and energy efficiency action
The use of resources to supply educational services indirectly utilises finite global resources. The source of the raw materials and the supply of educational services is spread globally. We recognise, that our services indirectly utilise global resources some of which are limited in their nature.

Consolidated strategic report (continued)

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Carbon emissions in UK	Tonnes of CO_2e in year ended 31 August 2021	Tonnes of CO_2e in year ended 31 August 2020
Scope 1 (gas)	169	203
Scope 2 (electricity)	179	294
Total footprint in UK	**348**	**497**

Group intensity measurement	€'000	€'000
Turnover in UK	9,998	9,637
Emissions reported above per €'000 of turnover	0.03	0.05

The above has been calculated using information from suppliers for the applicable period and information within the consolidated financial statements.

Efforts are made to ensure that the footprint from the services we provide is minimised by reviews of inefficient operational practices and avoiding suppliers or regions where the employment or environmental practices are known to be below acceptable standards.

Human rights issues
The Group ensures that its business activities are conducted with the objective of protecting human rights of both teachers and students. Staff are strongly encouraged to report abuse, either to their line manager or to other members of the managerial hierarchy. The qualities of respect and dignity constitute the foundation of the services we provide and the importance of human rights forms one of the foundations of our business.

International Schools Partnership and the community
The Group has grown by acquisition of geographically and culturally diverse entities, and we have benefitted from pre-existing relationships of our staff and teachers with the community. These relationships ensure staff and teachers and students lead happy, rewarding lives during their student years. Schools have direct involvement in a number of community based initiatives which help to enhance the Schools' relationships with local communities.

Research and Development
During the financial year, the Group has invested €0.8m (2020: €1m) in its proprietary learning and sharing platform (The Learning Hub) which is now available to all staff.

Acquisition of own shares
During the financial year, International Schools Partnership Limited purchased 1 of its own ordinary shares at a value of €1.

Branches of the Company
During the financial year, the Company has not held any branches.

Going concern
The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides noted above, the Company will have sufficient funds, through its currently available banking facilities, to meet its liabilities as they fall due for that period. The forecasts indicate that the Group will have sufficient cash to operate with a satisfactory level of headroom against the covenants in the loan facilities. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. Please refer to Note 1 of the financial statements for the detailed management assessment.

Consolidated strategic report (continued)

Future outlook

Management are committed to growing their business, by investing in facilities, creating new capacity and improving the education provision at the existing schools as well as acquiring new schools.

After the reporting date the Group has acquired 4 new schools and drawn down on more funding. See subsequent events, Note 27, for further information.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Directors of International Schools Partnership Limited consider that they have behaved in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole (with regards to the stakeholders and matters set out in s172 (1) (a to f) of the Companies Act) in the decisions taken during the year ended 31 August 2021.

Specific matters detailed in s172 and the actions taken by the Directors with regards to these matters are summarised below:

Matters	Actions	Consideration and engagement
Likely consequences of any decision in the long term	Annually, the Board undertakes a review of the Company's strategy, including the budget for the forthcoming year and the plan for the next five years. Once approved, the plan and strategy form the basis for financial budgets and resource and investment decisions. Both input to the budgets and output in terms of decision making involves both the Board and senior management. In making decisions concerning the business plan and future strategy, the Board has regard to the interests of various stakeholders and the consequences of its decisions in the long-term.	Annual budget, 5-year plan.
Interests of the Group's employees	Our employees are fundamental to the success of the business. We aim to be a responsible employer in our approach to the pay and benefits that our employees receive and ensure that we adhere to all statutory employee health and safety standards.	Employee reviews and appraisals. Exit surveys. Bonus schemes. Health and safety certification.
Need to foster the Company's business relationships with suppliers, customers and others	We are committed to securing strong working relationships with both our suppliers and customers in order to accentuate the performance of the Group, optimise the resources available to our employees and the experience of our pupils. We require that all companies within the Group ensure that suppliers adhere to acceptable employment, industry and environmental practices. Managing good customer relations is a key area of focus which is supported by regular feedback surveys.	Staff training. Customer surveys
Impact of the Company's operations on the community and the environment	Recycling and reducing carbon footprint are widely encouraged throughout the Group and amongst employees. The Group has also implemented initiatives mentioned in 'Environmental matters', such as use of solar power and planting a tree for every student in the Group, to raise awareness of environmental matters and get students engaged in the issue.	Recycling. Green-house gas emissions review
Desirability of the Group maintaining a reputation for high standards of business conduct	Our intention is to behave responsibly and ensure that management operate the business in a responsible manner and within high standards of business conduct and good governance	Audit committees. Nonexecutive Director Board appointments.
Need to act fairly as between members of the Company	The Board is committed to openly engaging with our shareholders, whether with institutional investors or private shareholders. It is important that shareholders understand our strategy and objectives.	Director meetings with shareholders.

This report was approved by the board on 25 February 2022 and signed on its behalf.

Darren Mee
Chief Financial Officer

Consolidated Directors' report

The Directors present their report and the financial statements for the year ended 31 August 2021 for the Company and Group.

Proposed dividend
The directors do not recommend the payment of a dividend (2020: €nil).

Directors
The directors who held office during the year and to the date of signing the financial statements were as follows:
P D Brett (Resigned 6 July 2021)
S D R Brown
A D Deakin
D Mee
R J Robson
L M Bucher (Appointed 28 July 2021)
J Mussellwhite (Appointed 28 July 2021)
Z L Howorth (Appointed 13 December 2021)

Qualifying third party indemnity provisions
The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provisions remain in force as at the date of this report.

Political contributions
Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Matters covered in the Strategic report
As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report instead. These matters relate to business review, future developments, principal risks and uncertainties and financial key performance indicators. In addition, the Strategic report includes a statement summarising how the directors have had regard to the need to foster the Group's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Group during the financial year.

Disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors is aware of that information.

Other information
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 6.

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Darren Mee
Chief Financial Officer

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

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of International Schools Partnership Limited ("the Company") for the year ended 31 August 2021 which comprise the consolidated statement of comprehensive loss, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, the company balance sheet, the company statement of changes in equity and related notes, including the accounting policies in note 2.

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 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how these risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board meeting minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED (continued)

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries;
- the risk of bias in accounting estimates such as goodwill impairment and business combination accounting; and
- the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts; and
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, education regulations and employment law, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL SCHOOLS PARTNERSHIP LIMITED (continued)

Strategic report and directors' report (continued)

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Paul Barron (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London,
E14 5GL

Group consolidated statement of comprehensive loss from 1 September 2020 to 31 August 2021

(in €000's)	Note	Year Ended 31 August 2021 Underlying	Year Ended 31 August 2021 Non-Underlying	Year Ended 31 August 2021 Total	Year Ended 31 August 2020 Underlying	Year Ended 31 August 2020 Non-Underlying	Year Ended 31 August 2020 Total
Revenue	-2 & 6-	296,970	-	296,970	277,070	-	277,070
Cost of sales	-7 & 8-	(216,610)	-	(216,610)	(207,250)	-	(207,250)
Other costs	-7 & 8-	(6,688)	-	(6,688)	(2,812)	-	(2,812)
Acquisitions and business explorations	-4-	-	(5,963)	(5,963)	-	(8,685)	(8,685)
Refinancing	-4-	-	(16,345)	(16,345)	-		-
Restructuring costs	-4-		(5,280)	(5,280)	-	(9,018)	(9,018)
Adjusted EBITDA		**73,672**	**(27,588)**	**46,084**	**67,008**	**(17,703)**	**49,305**
Depreciation and amortisation	-7-			(50,526)			(46,657)
Operating (loss) / profit				**(4,442)**			**2,648**
Finance income				191			286
Finance cost				(92,177)			(122,300)
Finance costs - net	-9-			(91,986)			(122,014)
Loss before tax				**(96,428)**			**(119,366)**
Tax charge	-10-			2,161			(5,002)
Loss for the year				**(94,267)**			**(124,368)**
Attributable to							
-Non-controlling interest				**21**			**148**
-Equity holders of the parent				**(94,288)**			**(124,516)**
Other comprehensive loss, net of income tax							
Differences on exchange of foreign operations				**(5,983)**			**(16,309)**
Total comprehensive loss for the year				**(100,250)**			**(140,677)**
Attributable to							
-Non-controlling interest				**33**			**227**
-Equity holders of the parent				**(100,283)**			**(140,904)**

All amounts relate to continuing operations. The accompanying notes are an integral part of these consolidated financial statements.

Group consolidated statement of financial position as at 31 August 2021

(in €000's)	Note	31 August 2021	31-August 2020
ASSETS			
Non-current assets			
Intangible assets and goodwill	-11-	476,185	399,972
Property, plant and equipment	-12-	592,694	561,506
Deferred tax asset	-30-	23,564	15,171
Total non-current assets		**1,092,443**	**976,649**
Current assets			
Inventories		632	1,203
Trade and other receivables	-14-	41,006	35,952
Prepayments	-15-	9,429	9,471
Current tax assets		793	2,891
Cash and cash equivalents	-16-	229,219	77,641
Total current assets		**281,079**	**127,158**
TOTAL ASSETS		**1,373,522**	**1,103,807**
EQUITY AND LIABILITIES			
Equity			
Share capital	-18.1-	14	2
Share premium	-18.1-	464,477	9,936
Capital contribution reserve	-18.2-	79,931	-
Translation reserves	-18.2-	(25,473)	(19,517)
Retained earnings		(404,471)	(310,366)
Equity attributable to owners of the company		114,478	(319,945)
Non-controlling interests	-18.3-	(3,968)	(3,779)
Total Shareholders' equity		**110,510**	**(323,724)**
Non-current liabilities			
Borrowings	-19-	1,035,100	1,095,512
Other financial liabilities	-22-	526	3,107
Deferred tax liabilities	-30-	51,276	44,738
Total non-current liabilities		**1,086,902**	**1,143,357**
Current liabilities			
Trade and other payables	-23-	54,337	42,106
Borrowings	-19-	16,059	143,094
Provisions	-20-	-	1,666
Term Deposits	-21-	12,028	18,366
Deferred revenue		80,636	68,721
Other financial liabilities	-22-	9,326	5,958
Current tax liability	-24-	3,724	4,263
Total current liabilities		**176,110**	**284,174**
TOTAL LIABILITIES		**1,263,012**	**1,427,531**
TOTAL EQUITY AND LIABILITIES		**1,373,522**	**1,103,807**

These financial statements were approved by the board of directors on 25 February 2022 and were signed on its behalf by:

Darren Mee
Director

Company registered number: 09817502

The accompanying notes are an integral part of these consolidated financial statements.

Group consolidated statement of cash flows for the period from 1 September 2020 to 31 August 2021

(in €000's)	Notes	2021	2020
Cash flows from operating activities			
Loss for the year		(94,267)	(124,368)
Adjustments for:			
Depreciation, amortisation and impairment	-11, 12-	50,526	46,657
Foreign exchange (gain) / losses		(15,748)	48,584
Finance income	-9-	(191)	(286)
Finance expense	-9-	100,029	92,155
Loss on sale of property, plant and equipment	-12-	1,892	1,105
Gain on purchase of subsidiary		-	(266)
Taxation	-10-	(2,161)	5,002
Increase in trade and other receivables	-14, 15-	(429)	(8,070)
Decrease/ (increase) in inventories		571	(97)
Increase/ (decrease) in trade and other payables, other financial liabilities, term deposits and deferred revenue	-21, 22, 23-	(525)	(11,075)
Utilisation of provisions	-20-	(1,666)	-
Cash generated from operating activities		38,031	49,341
Tax paid		(6,984)	(12,927)
Net cash from operating activities		**31,047**	**36,414**
Cash flows from investing activities			
Interest received	-9-	191	286
Acquisition of subsidiary, net of cash acquired		(69,230)	(81,973)
Acquisition of property, plant and equipment	-11, 12-	(31,556)	(39,544)
Net cash from investing activities		**(100,595)**	**(121,231)**
Cash flows from financing activities			
Proceeds from the issue of share capital and share premium		105,368	901
Proceeds from new bank loan	-19-	210,000	175,699
Proceeds from related party borrowing	-19-	4,950	-
Interest paid	-19-	(58,338)	(42,341)
Loan arrangement fees paid	-19-	(17,125)	(4,679)
Repayment of borrowings	-19-	(2,207)	(1,829)
Payment of lease liabilities	-19-	(20,773)	(18,154)
Net cash from financing activities		**221,875**	**109,597**
Net increase in cash and cash equivalents	-16-	**152,327**	**24,780**
Cash and cash equivalents at 1 September		77,641	56,372
Effect of exchange rate fluctuations on cash held		(749)	(3,511)
Cash and cash equivalents at 31 August	-16-	**229,219**	**77,641**

The accompanying notes are an integral part of these consolidated financial statements.

Group consolidated statement of changes in equity from 1 September 2020 to 31 August 2021

	Note	Attributable to the owners of the Company						NCI	Total Equity
		Ordinary shares €000's	Share premium €000's	Translation reserves €000's	Retained earnings €000's	Capital Contribution reserve €000's	Total €000's	€000's	€000's
Balance as at 31 August 2019		2	9,035	(3,129)	(130,304)	-	(124,396)	(4,006)	(128,402)
Adjustment on initial application of IFRS 16		-	-	-	(55,546)	-	(55,546)	-	(55,546)
Adjusted balance as at 31 August 2019		2	9,035	(3,129)	(185,850)	-	(179,942)	(4,006)	(183,948)
Transactions with owners, recorded directly in equity									
Share capital and share premium increase	-18.1-		901	-	-	-	901	-	901
Total contribution by and distributions to owners		-	901	-	-	-	901	-	901
Total comprehensive income for the period									
Result for the year		-	-	-	(124,516)	-	(124,516)	148	(124,368)
Other comprehensive income		-	-	(16,388)	-	-	(16,388)	79	(16,309)
Total comprehensive income for the period		-	-	(16,388)	(124,516)	-	(140,904)	227	(140,677)
Balance as at 31 August 2020		2	9,936	(19,517)	(310,366)	-	(319,945)	(3,779)	(323,724)
Transactions with owners, recorded directly in equity									
Share capital and share premium increase	-18.1, 18.2-	12	454,541	-	-	79,931	534,484	-	534,484
Adjustment arising from change in non controlling interest		-	-	(23)	245	-	222	(222)	-
Transfer on disposal of foreign operations		-	-	62	(62)	-	-	-	-
Total contribution by and distributions to owners		12	454,541	39	183	79,931	534,706	(222)	534,484
Total comprehensive income for the period									
Result for the year		-	-	-	(94,288)	-	(94,288)	21	(94,267)
Other comprehensive income		-	-	(5,995)	-	-	(5,995)	12	(5,983)
Total comprehensive income for the period		-	-	(5,995)	(94,288)	-	(100,283)	33	(100,250)
Balance as at 31 August 2021		14	464,477	(25,473)	(404,471)	79,931	114,478	(3,968)	110,510

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

NOTE 1 - GENERAL INFORMATION

International Schools Partnership Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09817502 and the registered address is 100 New Bridge Street, London, United Kingdom, EC4V 6JA. The ultimate controlling party is International Schools Partnership I S.à r.l by virtue of its shareholding in the immediate parent company, Permotio International Learning S.à r.l. The consolidated financial statements of the Company for the year ended 31 August 2021 comprise the Company and its subsidiaries (together referred to as "International Schools Partnership Group" or "the Group").

The core activity of the Group is kindergarten through to twelfth grade (K-12) education and the Company is acquiring, through its subsidiaries, schools around the world to create a global Group with schools having an international outlook and which are or can become the school of choice in their local area. At the year-end date the Group owned and operated 51 (2020: 46) schools with around 46,936 children (2020. 44,500) from 2-18 years of age studying in the United Kingdom, Spain, Switzerland, Italy, Mexico, Malaysia, Costa Rica, the USA, Canada Qatar, the United Arab Emirates, Ecuador, Peru, Colombia and Chile. The schools offer a diverse and enriching educational experience spanning British, Malaysian, International, Mexican, US, Costa Rica, Peruvian, Chilean, Columbian and Spanish curricula.

The Group may borrow in any form except by way of public offer and proceed by private placement only to the issue of bonds, notes, debentures or any kind of debt or equity securities.

The Group may lend funds, including without limitation, resulting from any borrowings of the Group and/or from the issue of any equity or debt securities of any kind, to its subsidiaries, affiliated companies and/or any other companies or entities it deems fit.

The Group may further guarantee, grant security in favour of or otherwise assist the companies in which it holds a direct or indirect participation or which form part of the same Group. The Group may further give guarantees, pledge, transfer or encumber or otherwise create security over some or all its assets to guarantee its own obligations and those of any other company, and generally for its own benefit and that of any other company or person. For the avoidance of doubt, the Group may not carry out any regulated activities of the financial sector without having obtained the required authorisation.

The Group may further act as a general or limited member with unlimited or limited liability for all debts and obligations of partnerships or similar entities.

The Group may use any techniques and instruments to efficiently manage its investments and to protect itself against credit risks, currency exchange exposure, interest rate risks and other risks. These consolidated financial statements state the results and position of the Group in the year ended 31 August 2021.

Going concern
The financial statements have been prepared on a going concern basis which assumes that the Group and Company will continue in operational existence for at least 12 months from the date of these financial statements.

The group had net assets of €110,510,000 as at 31 August 2021 (2020: Net liabilities of €323,724,000), generated a loss for the year then ended of €94,267,000 (2020: €124,368,000) and had operating cash inflows for the year of €31,047,000 (2020: €36,414,000). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Management maintain a 7-year and COVID-19 impacted cashflow forecast which is drawn up based on expected working capital requirements, as well as future acquisitions and capital projects. The Group's activities in response to COVID-19 is being managed by the Board of Directors. The safety and wellbeing of our students, colleagues and families is the top priority. The financial risks are being managed on a weekly basis in response to the unknown significance and nature of the disruption. Forecasting and budgets have been updated in response to the pandemic and a reasonable plausible downside of all schools being closed for periods of time is being utilised in connection with the going concern of the Group.

The adverse impact that COVID-19 is expected to have on the Group is that operational cashflows are to be reduced for the year ended 31 August 2022, this is due to school closures and some ancillary activities being unable to occur when expected. To mitigate the impact, cash outflows on capital expenditure and acquisitions are to be

Notes to the consolidated financial statements (continued)

NOTE 1 - GENERAL INFORMATION *(continued)*

Going concern (continued)
reduced and where possible deferred to the next financial year, operational expenditure linked to services that are no longer occurring or are being deferred will be challenged and the Group has implemented a subsidy scheme for parents connected with re-enrolment for the next financial year. These mitigating factors are expected to be the only effects on the business model of the Group.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides noted above, the Group and Company will have sufficient funds, through its currently available banking facilities, to meet their liabilities as they fall due for that period. The forecasts indicate that the Group and Company will have sufficient cash to operate with a satisfactory level of headroom against the covenants in the loan facilities.

Consequently, the directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with international accounting standards in conformity with the Companies Act 2006 ("IFRS").

The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 63 to 74.

2.1 Basis of preparation and consolidation
The consolidated financial statements are presented in Euro ("€"), which is the Group presentation and Company's functional currency. The consolidated financial statements are prepared on a historical cost basis except for financial assets held at fair value through profit or loss.

The consolidated financial statements are rounded to the nearest thousand Euro ("€000's").

The consolidated financial statements incorporate the financial statements of the Company and of the entities controlled by the Group.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value subsequently becomes the initial carrying amount for the purposes of accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

International Schools Partnership Limited has provided a guarantee for the purposes of exemption from audit of individual company accounts under section 479A(2)(a) of the Companies Act 2006 for the following companies: PIL UK Holdings 2 Limited, ISP Ecuador Limited, ISP Chile Limited, ISP Peru Limited, ISP Colombia Limited, PIL Brazil Holdings 2 Limited, PIL Mexico Holdings 2 Limited, PIL Mexico Holdings 1 Limited, PIL UK Holdings 1 Limited, PIL Europe Holdings Limited, PIL Middle East Holdings Limited, ISP Malaysia Limited, International Schools Partnership Services Limited, Temple Cambridge Ltd, Oaks International School Limited,

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and consolidation (continued)

ISP Costa Rica Limited, ISP Vietnam Limited, Claremont School (St. Leonards) Limited, ISP India Limited (previously ISP Dormant 1 Limited) and ISP North America Limited (previously PIL US Holdings Limited).

The following are the significant accounting policies adopted by the Group:

2.2 Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of increases and decreases in net assets attributable to shareholders during the reporting year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3. Management believes that the underlying assumptions are appropriate and that the Group's consolidated financial statements therefore present the financial position and results fairly.

2.3 Foreign currency translation

(i) Functional and presentational currency:
Items included in the consolidated financial statements are presented in Euro, which is the Group presentation and Company's functional currency.

(ii) Foreign currency transactions and balances:
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences are recognised in the consolidated statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

(iii) Subsidiaries
The results and financial position of the consolidated subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;
(b) income and expenses for each statement of comprehensive income 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 rate on the dates of the transactions);
(c) all resulting exchange differences are recognized in the consolidated statement of comprehensive income within other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Group are reclassified to profit or loss.

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 recognized in other comprehensive income.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The business combination is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Costs attributable to the business combination are immediately expensed in the consolidated statement of comprehensive loss. The acquiree's identifiable assets and liabilities are recognised at their fair values at the acquisition date.

Non-controlling interests (NCI) in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. NCI consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. For acquisitions from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

The interest of NCI in the acquiree is initially measured at the minority's proportionate share of the acquired entity's net identifiable assets, proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Where the Group increases its interest in an entity such that control is achieved, previously held identifiable assets, liabilities and contingent liabilities of the acquired entity are revalued to their fair value at the date of acquisition, being the date at which the Group achieves control of the acquiree. The movement in fair value is taken to the asset revaluation surplus.

The Group accounts for business combinations in line with IFRS 3 *Business Combinations*. IFRS 3 requires that all business combinations be accounted for using the acquisition method.

2.5 Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

2.7 Trade receivables
Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables that are known to be uncollectible are written off by reducing the carrying amount directly

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets

2.8.1 Classification

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Investments in subsidiaries are carried at cost less impairment, accounted for using the equity method.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2.8.2 Subsequent measurement

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2.9 Financial liabilities and equity

2.9.1 Classification

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

2.9.2 Subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full after investigation.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.11 Borrowings

Borrowings are recognised initially at fair value, net of direct transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

When borrowings are including floor or cap rates which are defined as closely related embedded derivatives, they are not separated from the host contract.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Borrowings (continued)

that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.12 Trade and other payables

Trade and other payables due within 12 months are considered as current liabilities and are recognised at fair value.

2.13 Income tax expense

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income.

Current income tax

Current income tax assets and liabilities are measured at the reporting date at the amount expected to be recovered from or paid to taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the consolidated statement of financial position date. Certain subsidiaries are subject to foreign taxes in respect to their net income and capital gains in their country of operation.

Deferred income tax

Deferred income tax assets and liabilities are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill, or of an asset, or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable income or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred tax assets are only recognised on three years of tax losses, if appropriate.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realised, or the liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date.

2.14 Property, plant and equipment

Property, plant and equipment are all stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised to write off the cost less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation is included in cost of providing services.

Property, plant and equipment are depreciated using the following criteria:

	Depreciation method	Estimated years of useful economic life
Land	Not depreciated	
Buildings	Straight-line	19 – 50
Fixtures, fittings and equipment	Straight-line	10 – 20
Other Assets	Straight-line	4 – 10
Construction in progress	Not depreciated until asset is in use	

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

2.15 Intangible Assets

Goodwill

Goodwill arising on acquisition is recognised as an intangible asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Acquired intangible assets

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangibles with finite useful lives are carried at cost and are amortised on a straight-line basis over their estimated useful lives as follows:

	Depreciation method	Estimated years of useful economic life
Other intangible assets	Straight-line	10

Other intangible assets primarily comprise student registry intangibles recognised on acquisition.

2.16 Finance income and expenses

Finance income and expenses comprise interest income and expenses and are recognised using the effective interest rate method, except for borrowing costs relating to qualifying assets. General and specific borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.17 Administrative expenses

Expenses are recognised in the consolidated statement of comprehensive income in the year in which they are incurred and are mainly comprised of marketing expenses, leasing fees, professional fees, service charge expenses, legal fees, management fees, advisory fees and other operating expenses. Foreign currency gains and losses are reported on a net basis and are included within other losses.

2.18 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.20 Capital contribution reserve

The Capital contribution reserve includes contributions made to the Company from its shareholders, other than in exchange for the issue of equity instruments.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Fair value estimate

Some of the Group's accounting policies require the measurement of the fair value. The Group has established a control framework with respect of the measurement of the fair values.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as recent price transaction, estimated discounted cash flows, EBITDA or enterprise value multiples and makes assumptions that are based on market conditions existing at the date of financial position. The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

For instruments for which there is no active market, the Group may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Group holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value of trade and other receivables, cash and cash equivalents and trade and other payables are assumed to approximate their fair values, due to their respective short-term nature.

The Group recognises transfers between levels of the fair value hierarchy at the end of each reporting period during which the change has occurred.

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of the discounted cash flow and sensitivity analysis.

Changes in assumptions about these factors could affect the reported fair value of financial instruments in the consolidated statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument when available. To assess the significance of a particular input to the entire measurement, the Group performs sensitivity analysis or stress testing techniques.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held no financial assets or liabilities measured at fair value at 31 August 2021 or 31 August 2020.

During the year ended 31 August 2021 and 31 August 2020, there were no reclassifications in or out of the Level 3 fair value category.

Notes to the consolidated financial statements (continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Revenue
Revenue comprises the fair value of consideration received or receivable in the ordinary course of the Group's activities. It comprises tuition fee income and income from ancillary sources including examinations, school trips and bus transportation.

Sales of services which have been invoiced but not yet recognised as revenue are included on the consolidated statement of financial position as deferred income.

Revenue recognition criteria by revenue type are as follows:
Tuition Fee Income
Tuition Fee Income is recorded as deferred income liability on the consolidated statement of financial position and released to the consolidated statement of comprehensive loss in the tuition fees account in the academic year to which it relates, provided all monies have been received in full or the child is in attendance at the school. The release is done evenly over ten months.

Enrolment Fee Income
Enrolment Fee Income is recorded immediately in the consolidated statement of comprehensive loss when the underlying performance indicator has occurred.

Other Income
Revenue from ancillary sources is amortised evenly over the period covered by the payment in a similar way to Tuition Fees. The unamortised balance is held on the consolidated statement of financial position and classified as Deferred Income. Other income includes amounts paid for school lunches, transport and other extra-curricular activities.

2.23 Current and non-current classification
Current assets are assets expected to be realised or consumed in the normal course of the Group's operating cycle (normally within one year). All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the Group's operating cycle (normally within one year) or liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

2.24 Inventories
Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

2.25 Adoption of new and revised IFRS
All IFRS's that are currently applicable have been applied in the preparation of these consolidated financial statements. New standards, amendments and interpretations are adopted, if applicable to the Group, when they become effective.

The Group has applied all IFRS that are currently applicable. All new standards, amendments and interpretations will be adopted, if applicable, when they become effective.

The directors consider that there is no significant financial impact on the Group financial statements of the following new standards, amendments and interpretations that are in issue and mandatory for the financial year ending 31 August 2021:
• COVID-19-Related Rent Concessions (Amendment to IFRS 16)
The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.
• Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
• Annual Improvements to IFRS Standards 2018–2020

Notes to the consolidated financial statements (continued)

*NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES **(continued)***

2.25 Adoption of new and revised IFRS (continued)

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- *Reference to Conceptual Framework (Amendments to IFRS 3).*
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- *Definition of Accounting Estimates (Amendments to IAS 8).*
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

There are no other standards, amendments or interpretations that are in issue but not yet effective that are expected to have a significant impact on the consolidated financial statements.

Notes to the consolidated financial statements (continued)

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES

The estimates and judgments made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances.

3.1 Judgements

In the process of applying the Group's accounting policies, which are described in Note 2, Management has made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

Presentation currency
The Group has elected to use the Euro as the presentation currency for these financial statements. The vast majority of the Group's transactions are denominated in Euro. The Euro is consequently an appropriate choice for presentation currency in these financial statements. As more subsidiaries are acquired it is likely that these will transact business in other currencies. At this time, the Group will continue to use the Euro as its presentation currency but will provide further information to explain the expected economic effects of a rate change on its cash flows and equity in cases where, in the opinion of management, there is a material risk of exchange rate volatility.

Control Assessment & Defacto Control
A Group controls an entity when it has power over the entity; is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Power can arise from voting rights the Group holds in the investee or contractual arrangements. The power to direct the relevant activities of the investee do not need to be exercised. The Group invests in its subsidiaries by acquiring the majority of the voting rights (share capital) of the subsidiaries (see Note 13).

Although the Group owns less than half of the shares of Al Nibras International Private School LLC, Aspen Heights British School LLC, Aspen Heights Educational Facilities Management Sole Proprietorship LLC, PIL (Dubai) SPC 1 Ltd, The Aquila School Owned by Shaikh Mohammed Maktoum Juma Al Maktoum One Person Company LLC, Promouvoir Management Consultancy LLC, Reach British School LLC, RBS AD1 SPC Limited and The Hamilton International School LLC, management has determined that the Group controls these entities. This is by virtue of agreement with the above listed companies' other shareholders whereby the Group exercises management control over the entities and is entitled to 100% of the profit or loss of the entities.

3.2 Assumptions and estimation uncertainties

The Group makes estimates and assumptions about the development of future events. Those estimates and assumptions which entail a significant risk of substantive adjustments in the book value of assets and liabilities over the next 12 months pertain to the following:

Acquisition Accounting
The group initially recognises the assets and liabilities acquired in a business combination at their Fair Value. Intangible Assets recognised for student registries are established using a level 3 fair value measurement technique.

Impairment of Intangible Assets
The Group has recognised intangible assets in relation to Goodwill and the valuation of student registry arising on the acquisition of subsidiaries. The assets were tested for impairment by reviewing the budgeted EBITDA of the underlying operations and the expected exit multiple. The key assumptions used in the estimation of the recoverable amount are variables that impact the budgeted normalised EBITDA for the next 12 months and the multiple used. Where the recoverable amount of the CGU was expected to be higher than the carrying amount of intangibles, no impairment was required. Where impairment was required, this expense was recognised in Other Costs in the statement of comprehensive loss.

Notes to the consolidated financial statements (continued)

NOTE 3 – USE OF JUDGEMENTS AND ESTIMATES (continued)

Cash Generating Units (CGUs)

The Group has identified multiple cash generating units (CGUs), with each school considered to be a CGU. Goodwill and intangible assets are allocated to the CGUs, and impairment is assessed by management on the same basis. The level at which impairment is tested reflects the lowest level at which goodwill and intangible assets are monitored for internal reporting purposes. The Group's chief executive officer reviews the internal management reports of each school monthly.

Cash Generating Unit	**Location**
Al Nibras International Private School	UAE
Asia Pacific School	Malaysia
Colegio Internacional Aravaca	Spain
Baton Rouge International School	USA
Bellevue Children's Academy	USA
British Education Management (St George)	Spain
Claremont School	UK
Colegios Laude	Spain
Colegios Pedro de Valdivia	Chile
Instituto Thomas Jefferson Group	Mexico
Kehoe-France School	USA
Liceo Panamericano & Colegio La Moderna	Ecuador
La Colina	Colombia
Montessori Academy of Broward	USA
Park House English School	Qatar
Reach British School	Abu Dhabi
St Jude School	Costa Rica
St George's College	Peru
Tenby Group	Malaysia
Tomás Alva Edison School	Mexico
Lynn Rose School	Canada
Rowntree Montessori School	Canada
British School of Geneva	Switzerland
Mile Bilingual School	Italy
British Royal School	Chile

Notes to the consolidated financial statements (continued)

NOTE 4 – NON-UNDERLYING ITEMS

(in €000's)	Year Ended 31 August 2021	Year Ended 31 August 2020
Acquisitions and business explorations	5,963	8,685
Refinancing	16,345	-
Restructuring costs	5,280	9,018
	27,588	**17,703**

Non-underlying items are income or expenditure which for the board of directors and financial statement reporting purposes are disclosed separately because in management's judgement, due to their nature, size or incidence, they distort an understanding of the Group's financial performance and comparability between periods. The items of expenditure which management designate as being non underlying include acquisition and business exploration costs, refinancing costs, business restructuring costs and impairment of assets.

Acquisition and business exploration costs are expenses (incurred in the statement of comprehensive income) to seek out and acquire new schools or expansion opportunities including future business development into new countries and regions. These include any legal and due diligence fees relating to potential or actual acquisitions as well as losses incurred prior to the opening of a new school. Although costs relating to projects can span multiple financial years, key components of expenditure for specific projects are non-recurring, for example financial due diligence, legal and market surveys. These costs have no relation to the operational results of existing schools and are split out to enable the reader of the financial statements to gain greater clarity of the underlying business performance.

Business restructuring costs mainly relate to employment cessation and associated legal costs. Costs of this nature are incurred annually, but relate to different projects and are, therefore, considered non-underlying. Refinancing costs include all associated expenditure arising from the appointment of a new minority shareholder during the year, which primarily include professional and legal fees. Costs of this nature should be considered as non-underlying as they are not part of the usual operations.

NOTE 5 - FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors. The Group's objective when managing capital is to safeguard its ability to continue as a going concern to provide returns to the shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital, issue new shares or sell assets to reduce debt. The capital, as defined and managed by the Group, consists of the amounts of equity as presented in the consolidated statement of financial position.

(a) Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(b) Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Group is mainly exposed to currency risk on purchases (accounting, audit and administrative services) that are denominated in a currency other than the functional currency. A significant weakening of a currency in a region could adversely impact the value of future dividends from investments in that region.

As at 31 August 2021 the currency risk is shown in the table below:

	Net Assets		Profit and Loss	
Effect in €000's	Strengthening	Weakening	Strengthening	Weakening
GBP (10% movement against EUR)	(1,747)	1,747	1,273	(1,273)
AED (10% movement against EUR)	(5,391)	5,391	(598)	598
QAR (10% movement against EUR)	(244)	244	(31)	31
MXN (10% movement against EUR)	1,068	(1,068)	79	(79)
USD (10% movement against EUR)	8,362	(8,362)	(777)	777
CRC (10% movement against EUR)	438	(438)	128	(128)
MYR (10% movement against EUR)	11,004	(11,004)	171	(171)
CLP (10% movement against EUR)	1,960	(1,960)	(86)	86
COP (10% movement against EUR)	1,189	(1,189)	56	(56)
PEN (10% movement against EUR)	522	(522)	221	(221)
CAD (10% movement against EUR)	1,167	(1,167)	31	(31)
CHF (10% movement against EUR)	(502)	502	(70)	70

As at 31 August 2020 the currency risk is shown in the table below:

	Net Assets		Profit and Loss	
Effect in €000's	Strengthening	Weakening	Strengthening	Weakening
GBP (10% movement against EUR)	(11,595)	11,595	6,427	(6,427)
AED (10% movement against EUR)	(5,403)	5,403	2,186	(2,186)
QAR (10% movement against EUR)	(4,209)	4,209	459	(459)
MXN (10% movement against EUR)	935	(935)	560	(560)
USD (10% movement against EUR)	(1,558)	1,558	1,153	(1,153)
CRC (10% movement against EUR)	379	(379)	(34)	34
MYR (10% movement against EUR)	5,415	(5,415)	(148)	148
CLP (10% movement against EUR)	1,234	(1,234)	83	(83)
COP (10% movement against EUR)	662	(662)	78	(78)
PEN (10% movement against EUR)	377	(377)	(111)	111

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The bank loans and bond, noted in Note 19, are the only borrowings at a variable interest rate.

The following table presents impact on profits as if interest rates on variable borrowings at 31 August 2021 had been 1% lower or 1% higher:

(in €000's)	Impact on profit	
	Decrease in rate by 1%	Increase in rate by 1%
Borrowings	5,184	(8,448)
Total impact on consolidated statement of comprehensive loss	**5,184**	**(8,448)**

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(c) Interest rate risk (continued)

The following table presents impact on profits as if interest rates on loans and borrowings at 31 August 2020 had been 1% higher/lower:

(in €000's)	Impact on profit	
	Decrease in rate by 1%	Increase in rate by 1%
Borrowings	4,145	(6,733)
Total impact on consolidated statement of comprehensive loss	**4,145**	**(6,733)**

(d) Credit Risk

Credit risk is the risk that any counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's accounting policies for financial assets is consistent with the requirement of IFRS 9. The schools within the Group recognise provisions and impairments based on the expected credit losses over the next 12 months. The assessments are based primarily on the age of the assets to assess the likelihood of recovery.

To minimise the credit risk the schools within the Group invoice customers in advance and has policies in place covering subsequent cash collection, which include regular review of outstanding debt. Individual school policy is either to invoice at the beginning of each term or the beginning of each month. Due to this it is deemed that the credit risk within the Group is low. There were no significant impairments of trade and other receivables during the current or prior year.

The carrying amount of financial assets and cash and cash equivalents represents the maximum credit exposure.

The maximum exposure to credit risk at 31 August 2021 and 2020 was:

(in €000's)	**31 August 2021**	**31 August 2020**
Trade and other receivables		
- *Current*	36,354	31,074
- *Past due and not yet paid*	4,652	4,878
Cash and cash equivalents	229,219	77,641
Total	**270,225**	**113,593**

Trade and other receivables

The following table is an analysis of the Group's trade and other receivables allowance provision by geographical market in FY21 and FY20 respectively:

(in €000's)	**Europe**	**Americas**	**Middle East**	**Asia**	**Other**	**Total**
Year ended 31 August 2021	717	1,431	-	478	2,000	4,626
Year ended 31 August 2020	572	1,834	-	472	2,000	4,878

There are no significant other receivables past due at the current or prior year end. No further disclosure is required on the location of the receivables or the nature of the receivables, as all the receivables are of the same nature and the directors do not believe that the location of the receivables has a significant impact on the credit risk, due to the similar nature of the controls apparent at the schools to mitigate the risk.

Cash and cash equivalents

Credit risk with respect to balances at bank is limited because the counter parties are reputable banks.

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(e) Liquidity risk

The Group manages liquidity risk by maintaining adequate cash balances and banking facilities, loans granted by the shareholders, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group also performs regular cash forecasting at the subsidiary level along with the funding required for central and local cost centres. Funding for new transactions, including due diligence and other pre-transaction costs, is assessed and drawn down on a case by case basis.

The Group has borrowings with third parties that mature in 2023 and 2028 respectively, while its current receivables are callable on demand.

The following are the contractual maturities of financial assets and liabilities, including future undiscounted interest payments as per 31 August 2021:

(in €000's)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Assets					
Trade and other receivables	41,006	-	-	-	-
Cash and cash equivalents	229,219	-	-	-	-
Total assets	270,225	-	-	-	-

(in €000's)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities					
Borrowings	5,576	1,864	2,815	53,519	706,638
Lease Liabilities	2,165	6,454	8,735	28,056	235,338
Deferred consideration	6,420	2,906	526	-	-
Trade and other payables	54,337	-	-	-	-
Total liabilities	68,498	11,224	12,076	81,575	941,976

The following are the contractual maturities of financial assets and liabilities, including future undiscounted interest payments as per 31 August 2020:

(in €000's)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Assets					
Trade and other receivables	38,843	-	-	-	-
Cash and cash equivalents	77,641	-	-	-	-
Total assets	116,484	-	-	-	-

Notes to the consolidated financial statements (continued)

NOTE 5 - FINANCIAL RISK MANAGEMENT (continued)

(e) Liquidity risk (continued)

(in €000's)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Liabilities					
Borrowings	5,256	119,518	2,833	7,856	838,677
Lease Liabilities	4,554	13,766	23,772	71,355	151,019
Deferred consideration	-	5,958	1,585	1,522	-
Trade and other payables	42,106	-	-	-	-
Total liabilities	51,916	139,242	28,190	80,733	989,696

(f) Business Risk

The Group's Directors assess performance and business risk using regular reporting by each subsidiary and investment which includes monitoring against agreed budgets and a set of KPIs. The KPIs comprise financial and non-financial measures the latter including various ratios relating to student enrolments and staffing as well as information on academic results. Reporting also includes information on school improvement plans, marketing plans, compliance monitoring and health and safety.

NOTE 6 – REVENUE

The following table is an analysis of the Group's revenue by geographical market in FY21 and FY20 respectively:

Year ended 31 August 2021	Europe	Americas	Middle East	Asia	Total
Revenue (in €000's)	88,887	126,085	46,925	35,073	296,970

Year ended 31 August 2020	Europe	Americas	Middle East	Asia	Total
Revenue (in €000's)	68,770	127,176	44,711	36,413	277,070

The split of Revenue in the year between Tuition Income and Other Income was as follows:

(in €000's)	Year ended 31 August 2021	Year ended 31 August 2020
Tuition income	265,135	246,377
Other Income	31,835	30,693
Total	**296,970**	**277,070**

Notes to the consolidated financial statements (continued)

NOTE 7 – BREAKDOWN OF COSTS OF SALES AND OTHER COSTS

Loss for the year has been arrived at after charging:

(in €000's)	Year ended 31 August 2021	Year ended 31 August 2020
Costs of providing services and other costs		
Staff costs (admin)	49,622	48,749
Staff costs (teaching)	107,402	102,496
Depreciation	35,540	33,923
Amortisation	14,986	12,734
Legal & Professional Fees	4,616	4,814
Audit and assurance fees (see Note 8)	811	675
General Expenses	59,994	57,393
Other costs	28,441	13,638
	301,412	274,422

Other costs are mainly related to costs associated with acquiring subsidiaries and costs required to bring the acquired subsidiaries to the standard expected in the year.

General expenses include costs associated with short term and low value leases, as disclosed in note 19.

The average number of total staff in the year was 6,362 (2020: 6,642) split out by admin staff of 2,036 (2020: 2,208) and teaching staff 4,326 (2020: 4,434).

Other costs include pension benefits of €568,000 (2020: €432,000).

NOTE 8 – AUDIT AND PROFESSIONAL FEES FOR SERVICES PROVIDED BY KPMG

Audit and other professional fees for services provided by KPMG member firms of the network are noted in the table below:

(in €000's)	Year ended 31 August 2021	Year ended 31 August 2020
Audit fees - Group audit	345	302
Audit fees - Subsidiaries	365	327
Audit related assurance services	39	11
Tax services	-	11
Other assurance services	62	24
	811	**675**

Notes to the consolidated financial statements (continued)

NOTE 9 – FINANCE COSTS – NET

(in €000's)	Year ended 31 August 2021	Year ended 31 August 2020
Bank interest income	191	286
Finance income	**191**	**286**
Bank interest expense and charges	(2,469)	(2,590)
Interest expense - Intercompany loans	(24,759)	(23,847)
Foreign Exchange gain/(losses) - Net	7,851	(27,556)
Interest expense - Bank loans	(39,745)	(35,499)
Interest expense - Listed Bond	(3,461)	(2,891)
Interest expense - Other	(18,823)	(19,880)
Other finance costs	(10,771)	(10,037)
Finance costs	**(92,177)**	**(122,300)**
Net finance costs	**(91,986)**	**(122,014)**

NOTE 10 – INCOME TAX EXPENSE

(in €000's)	Year ended 31 August 2021	Year ended 31 August 2020
Income tax (expense) in respect of the current period	(12,875)	(6,255)
Income tax income/(expense) in respect of the prior period	2,260	(7,212)
Deferred tax credit in respect of the current period	10,534	3,201
Deferred tax credit in respect of the prior period	2,242	5,264
Total tax expense	**2,161**	**(5,002)**

Reconciliation of effective tax rate		
Loss before tax	**96,428**	**119,366**
Tax calculated at domestic tax rate of 19%*	18,321	22,680
Effect of different tax rates on profits / losses in countries in which the Group operates	(1,085)	(6,399)
Tax effect of:		
Expenses not deductible for tax purposes	(10,163)	(4,471)
Utilisation of previously unrecognised tax losses	319	1,147
Tax losses for which no deferred tax asset was recognised**	(4,649)	(16,924)
Prior period differences	4,502	(1,948)
Other differences	(5,084)	913
Tax charge	**2,161**	**(5,002)**

* Applicable tax rate in United Kingdom.

**No deferred tax asset has been recognised in some CGU's due to uncertainty in recoverability of this asset. The Group's policy is to recognise deferred tax asset for tax losses only to the extent that it is probable that future profits will be available against which the asset can be utilised. A deferred tax asset of €27.1 million is unrecognised at the year end (2020: €40.0 million).

Notes to the consolidated financial statements (continued)

NOTE 10 – INCOME TAX EXPENSE (continued)

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.
An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The UK deferred tax asset and liabilities at 31 August 2021 have been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2020: 19%).

NOTE 11 – INTANGIBLE ASSETS AND GOODWILL

Cost	Goodwill €000's	Other Intangible Assets €000's	Total €000's
At 1 September 2019	286,039	117,967	404,006
Acquisition of subsidiaries	32,887	31,068	63,955
Additions	-	2,478	2,478
Exchange difference	(23,011)	(14,188)	(37,199)
At 31 August 2020	295,915	137,325	433,240
Finalisation of prior acquisitions**	547	-	547
At 1 September 2020	296,462	137,325	433,787
Acquisition of subsidiaries*	57,344	26,739	84,083
Exchange difference	3,946	4,161	8,107
At 31 August 2021	357,752	168,225	525,977
Amortisation and impairment			
At 1 September 2019	-	(22,802)	(22,802)
Charge for the year	-	(12,734)	(12,734)
Exchange difference	-	2,268	2,268
At 31 August 2020	-	(33,268)	(33,268)
Charge for the year		(14,986)	(14,986)
Exchange difference	-	(1,538)	(1,538)
At 31 August 2021	-	(49,792)	(49,792)
Carrying amount			
At 31 August 2021	357,752	118,433	476,185
At 31 August 2020	295,915	104,057	399,972

*The intangibles acquired in the year include the amounts included on acquisition as set out in Note 29.
The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.
** The Goodwill arising on the acquisitions in 2020 was updated in the year due to finalisation of the balance sheet as at the date of acquisition during the measurement period permitted by IFRS 3.

Notes to the consolidated financial statements (continued)

NOTE 11 – INTANGIBLE ASSETS AND GOODWILL (continued)

The recoverable amount of the CGUs is based on fair value less costs to sell. Fair value is determined by multiplying the budgeted EBITDA for the next 12 months, by a market driven multiple. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.
The CGUs for the purpose of impairment testing of Goodwill are analysed by school/group of schools and are listed below.

(in €000's)	Year ended 31 August 2021	Year ended 31 August 2020
Carrying amount		
Al Nibras International Private School LLC	27,221	26,967
Asia Pacific Schools	35,232	34,820
Baton Rouge International School	3,315	3,286
Bellevue Children's Academy	13,377	13,261
British Education Management, S.L.	26,878	26,878
Claremont School (St Leonard's) Limited	25,577	24,565
Colegios Pedro De Valdivia	18,659	18,646
Instituto Thomas Jefferson	11,420	10,432
Kehoe-France	4,599	4,559
La Colina School	4,051	4,061
Liceo Panamericano, Colegio La Moderna	19,849	19,678
Montessori Academy of Broward	5,428	5,381
Park House English School	15,127	15,192
Reach British School LLC	2,370	2,348
St Jude School	3,441	3,565
St George's School	26,109	25,884
Tenby Schools	42,508	42,010
Tomás Alva Edison School	15,742	14,380
Rowntree Montessori Schools	7,768	-
Lynn- Rose School	3,841	-
MILE School	11,657	-
British School of Geneva	13,164	-
British Royal School	20,419	-
	357,752	**295,915**

Other intangible assets relate to student registry which is amortised over 10 years.

Notes to the consolidated financial statements (continued)

NOTE 11 – INTANGIBLE ASSETS AND GOODWILL (continued)

Goodwill on acquisition of subsidiaries in the year ending 31 August 2021 was allocated as per the below table. See Note 29 for calculations of goodwill per acquisition.

	€000's
Rowntree Montessori School	7,390
Lynn-Rose School	3,681
Mile Bilingual School	11,657
British School of Geneva	12,917
British Royal School	21,699
Total	**57,344**

Goodwill on acquisition of subsidiaries in the year ending 31 August 2020 was allocated as per the below table.

	€000's
La Colina School	4,949
St George's College	27,938
	32,887

Impairment review

The recoverable amount of goodwill is assessed on an annual basis for impairment. The recoverable amount of the CGUs is based on fair value less costs to sell. Fair value is determined by multiplying the budgeted EBITDA for the next 12 months, by a market driven multiple.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. The key assumptions used in the estimation of the recoverable amount are variables that impact the budgeted normalised EBITDA for the next 12 months and the multiple used.

Budgeted normalised EBITDA for FY22 was estimated considering experience, adjusted as follows:

- Revenue growth was projected considering the expected change in enrolments and tuition fees considering the initial investment case and the local regulations; and
- Estimated significant one-off costs and inflationary increases.

The estimated recoverable amount of the CGU's exceeded its carrying amount by approximately €926,890,000 (2020: €593,000,000). Management has identified that no reasonable possible change in the exit multiple could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which the exit multiple assumption would need to change individually for the estimate recoverable amount to be equal to the carrying amount.

In percent	2021	2020
Exit multiple	222%	193%

Value-in-Use

A value-in-use calculation is prepared for CGU's that require additional support to demonstrate that impairment is not required. The value-in-use model was used for the Baton Rouge and Claremont CGU's. The value-in-use model incorporated the following key assumptions;

- EBITDA cashflow projections for the next 7 years (time frame in line with internal forecasts)
- EBITDA is based on the most recent budget and expected future enrolment and tuition growth, as well as appropriate and significant increases in the cost base
- Discounted at the appropriate region-specific rate (Baton Rouge, US: 6% and Claremont, UK 7%)

Notes to the consolidated financial statements (continued)

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The table below shows the movements in property, plant and equipment in the year to 31 August 2021, including additions, transfers from construction in progress ("CIP"), disposals, effect of movements in exchange rates and acquisitions.

	Land and Buildings €000's	Fixtures, Fittings and Equipment €000's	Other Assets €000's	CIP €000's	Total Fixed Assets €000's
Cost at 1 September 2019	551,410	37,504	8,393	23,109	**620,416**
Additions	14,698	11,806	2,707	7,855	**37,066**
Acquisition of subsidiary	51,365	1,252	338	173	**53,128**
Transfer from CIP	376	-	(1)	(376)	**(1)**
Reclassification	(8,063)	8,370	8,961	(9,268)	**-**
Disposals	(547)	(1,583)	(164)	-	**(2,294)**
Exchange difference	(41,892)	(4,010)	(1,194)	(439)	**(47,535)**
Cost at 31 August 2020	567,347	53,339	19,040	21,054	**660,780**
Cost at 1 September 2020	567,347	53,339	19,040	21,054	**660,780**
Additions	12,505	13,524	817	8,824	**35,670**
Acquisition of subsidiary	21,406	1,588	127	-	**23,121**
Transfer from CIP	12,144	4,722	(135)	(16,731)	**-**
Disposals	(43)	(557)	(19)	(1,555)	**(2,174)**
Exchange difference	15,204	1,169	291	270	**16,934**
Cost at 31 August 2021	628,563	73,785	20,121	11,862	**734,331**
Depreciation at 1 September 2019	(55,390)	(9,674)	(1,409)	(855)	**(67,328)**
Depreciation charge	(21,956)	(8,080)	(3,887)	-	**(33,923)**
Disposals	695	(4,052)	3,691	855	**1,189**
Exchange differences	328	259	201	-	**788**
Depreciation at 31 August 2020	(76,323)	(21,547)	(1,404)	-	**(99,274)**
					-
Depreciation at 1 September 2020	(76,323)	(21,547)	(1,404)	-	**(99,274)**
Depreciation charge	(21,877)	(11,691)	(1,972)	-	**(35,540)**
Disposals	(184)	432	33	-	**281**
Exchange differences	(6,240)	(674)	(190)	-	**(7,104)**
Depreciation at 31 August 2021	(104,624)	(33,480)	(3,533)	-	**(141,637)**
NBV at 1 September 2019	496,020	27,830	6,984	22,254	**553,088**
NBV at 31 August 2020	491,024	31,792	17,636	21,054	**561,506**
NBV at 31 August 2021	523,939	40,305	16,588	11,862	**592,694**

Notes to the consolidated financial statements (continued)

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

	Land and Buildings	Fixtures, Fittings and Equipment	Total Right-Of-Use Asset
	€000's	**€000's**	**€000's**
Net book value at 1 September 2020	206,469	336	206,805
Acquisitions	8,045	159	8,204
Additions	4,075	39	4,114
Depreciation charge	(13,480)	(257)	(13,737)
Exchange differences	6,098	(37)	6,061
Net book value at 31 August 2021	**211,207**	**240**	**211,447**

NOTE 13 – SUBSIDIARIES

The Group consists of a parent company, International Schools Partnership Limited, incorporated in United Kingdom and several subsidiaries held directly and indirectly by International Schools Partnership Limited.

The ownership is the same in current and previous year, except for subsidiaries purchased in the year, please see Note 29 for further details.

The group has also disposed of the following subsidiaries, Colegios Privados Internacionales SL, Tambay Aravaca SL, following the transfer of their trade and assets to Colegios Laude SA and Tecnologia Educativa S.A.C and Jovial Learner S.a.r.l.

Company name	Registered address	Percentage ownership of ordinary shares
4039459 Canada Ltd	1785 Queen Street East, Unit J, Brampton, Ontario, Canada L6T 4S3	100%
Abastecedora Escolar TAE, S.A. de C.V.	Calle Ozumbilla, Mz 99 Lt 117, Los Héroes de Tecámac Sección Bosques, Tecámac, 55764 State of Mexico (Registro Público de la Propiedad de Tlalnepantla, Estado de México)	100%
Administradora de Colegios Pedro de Valdivia SpA	Administradora de Colegios Pedro de Valdivia SpA, Santiago, Chile	100%
Al Nibras International Private School LLC **	PO Box 54084, Dubai, UAE	49%
Ark Holdings SA	Av. de Châtelaine 95A 1219 Châtelain, Geneva. Switzerland	100%
ASC international House SA	Av. de Châtelaine 95A 1219 Châtelain, Geneva. Switzerland	100%
Asia Pacific Schools Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Aspen Heights British School LLC **	PO Box 137352, Abu Dhabi, UAE.	0%
Aspen Heights Educational Facilities Management Sole Proprietorship LLC **	PO Box 33366, Abu Dhabi, UAE.	0%
British Education Management, S.L.	Avenida Centaurea 8, 29018 Cerrado De Calderon, Malaga Spain	100%
British Royal School S.A.	Av Las Perdices 263, La Reina Santiago, Chile	100%

Notes to the consolidated financial statements (continued)

NOTE 13 – SUBSIDIARIES (continued)

Centro Educacional Escuela Católica Activa, S.A.	Costa Rica, San Jose, Santa Ana, Pozos, one and a half kilometer west from Banco DAVIVIENDA	100%
Claremont School (St. Leonards) Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Colegio British Royal School SpA	Av Las Perdices 263, La Reina Santiago, Chile	100%
Colegio Pedro de Valdivia Las Condes SpA	Av. Las Condes 13349, Las Condes, Chile	100%
Colegio Pedro de Valdivia Peñalolén SpA	Av. Quilín 5473, Peñalolén, Santiago, Chile	100%
Colegio Pedro de Valdivia Providencia SpA	Av. Pedro de Valdivia 1939, Providencia, Santiago, Chile	100%
Colegio San Jorge de Miraflores S.C.R.L.	Av. General Ernesto Montagne N° 360, Miraflores, Lima – Perú	100%
Colegios Laude, SA	*Calle Doctor Fleming, 3, 10th floor - left, 28036* Madrid Spain.	100%
Corporación CLR S.A.C.	Av. General Ernesto Montagne N° 360, Miraflores, Lima – Perú	100%
Elementary School Thomas Jefferson, S.C.	Circuito Gardenia #5, Col. Hacienda Santa Mónica, Tlalnepantla de Baz, 54050, State of Mexico (Registro Público de la Propiedad de Tlalnepantla, Estado de México)	100%
Fondcare Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Formación, Educación Y Cultura, S.C.	Calle Heriberto Frías 1401, Colonia del Valle Sur, Alcaldía Benito Juarez, C,P, 03104, Mexico City, Mexico (Registro Público de la Propiedad y del Comercio de la Ciudad de México)	90%
France Family Partners LLP	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816.	95%
Hamilton International Development Limited (formerly known as Marlborough Group Limited)	Mesaimeer 56 - street number 1117, building number 117, Doha, Qatar.	100%
High School Thomas Jefferson, S.C.	Manuel Payno No 40, Ciudad Satélite, Municipio de Naucalpan de Juárez, C.P. 53100, State of Mexico (Registro Público de la Propiedad de Tlalnepantla)	100%
Ilmu Bijak Bestari Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Inmobiliaria de Mexico Mes, S.A. de C.V.	Boulevard Miguel Cervantes Saavedra 169, piso 2, Colonia Granda, Alcaldía Miguel Hidalgo C.P. 11520, Mexico City, (Registro Público de la Propiedad y de Comercio de la Ciudad de México)	100%
Inmobiliaria Emibu S.A.	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil - Ecuador	100%
Inmobiliaria Panamericana C.A.	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil - Ecuador.	100%
Inmobiliaria Pel, S.A.	Calle Amores 1620, Colonia Del Valle, Alcaldía Benito Juárez *C.P. 03100, Mexico City*, (Registro Público de la Propiedad y de Comercio de la Ciudad de México)	100%
Instituto Educativo Moderno De Guayaquil Inemoquil C. Ltda.	Plot No. 4, Km. 2.5 Via Samborondon, Samborondon, Guayas Province, Ecuador.	100%

Notes to the consolidated financial statements (continued)

NOTE 13 – SUBSIDIARIES (continued)

Instituto Thomas Jefferson Company Querétaro, S.C.	Avenida Asteroides 1200, Colonia Rancho Sam Antonio, Municipio de Santiago de Querétaro, Querétaro C.P. 76149 (Registro Público de la Propiedad de Querétaro)	100%
Instituto Thomas Jefferson Guadalajara, S.C.	Vialidad Ramal La Tijera 1753, Municipio de Tlajomulco de Zuñiga, Localidad Las Amapas C.P. 45640 Guadalajara, Jalisco (Registro Público de la Propiedad y de Comercio de Jalisco)	100%
Instituto Thomas Jefferson Valle Real, S.C.	Avenida Prolongación Jesús 3451, Colonia Los Girasoles Municipio de Zapopan Guadalajara, Jalisco. C.P. 45130 (Registro Público de la Propiedad y de Comercio de Jalisco)	100%
International Parents Trust, LLC	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	100%
International Schools Partnership Services Limited *	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Inversiones La Colina MCM, S.A.S.	La Calera, Cundinamarca, Colombia	100%
Ipoh International School Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
ISP Baton Rouge, Inc.	1209 Orange Street, Wilmington, Delaware 19801	100%
ISP Bellevue Inc.	711 Capitol Way South, Suite 204, Olympia, Washington 98501.	100%
ISP Broward Holdings LLC	1200 South Pine Island Road, Plantation, Florida 33324.	100%
ISP Broward LLC	1200 South Pine Island Road, Plantation, Florida 33324	100%
ISP Chile Limited*	100 New Bridge Street, London, EC4V 6JA, , United Kingdom	100%
ISP Chile SpA	5561 Oficina 401, Las Condes, Santiago Chile	100%
ISP Colombia Limited (formerly ISP Dormant 3 Limited)*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP Colombia SAS	La Calera, Cundinamarca, Colombia	100%
ISP Costa Rica Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP East Coast Holdings Inc	1209 Orange Street, Wilmington, Delaware 19801	100%
ISP Ecuador Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP Kehoe Holdings LLC	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	95%
ISP Malaysia Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP US Holdings Inc	1209 Orange Street, Wilmington, Delaware 19801	100%
ISP US Management Co.	1200 South Pine Island Road, Plantation, Florida 33324	100%
ISP Vietnam Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP West Coast Holdings Inc	160 Greentree Drive, Suite 101, Dover, Delaware 19904	100%
Kehoe-France Day Camp, Inc.	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	95%

Notes to the consolidated financial statements (continued)

NOTE 13 – SUBSIDIARIES (continued)

Kehoe-France Inc.	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816.	95%
Kindergarden Thomas Jefferson Company Guadalajara, S.C.	Manuel Payno No 40, Ciudad Satélite, Municipio de Naucalpan de Juárez, C.P. 53100, State of Mexico (Registro Público de la Propiedad de Tlalnepantla)	100%
Kindergarden Thomas Jefferson, S.C.	Kindergarden Thomas Jefferson, S.C. , Naucalpan de Juarez, State of Mexico.	100%
Liceo Panamericano LPSA S.A.	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil, Ecuador	100%
Lynn Rose Corp	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3	100%
Lynn-Rose College Inc.	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3	100%
Magafe 2 Srl	Via S.G. Cottolengo, 25 20143 Milan, Italy	100%
Mile Srl	Via S.G. Cottolengo, 25 20143 Milan, Italy	100%
Muntazeh English School SPC (Park House English School)	Bou Hamour 56, Mesaimeer Street, building number 43, Doha, Qatar	100%
Oaks International School Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Pictos, S.A.P.I. de CV	Boulevard Miguel Cervantes Saavedra 169, piso 2, Colonia Granda, Alcaldía Miguel Hidalgo C.P. 11520, Mexico City (Registro Público de la Propiedad y de Comercio de la Ciudad de México)	100%
Permotio Consultancy DWC Dubai Branch	PO Box 54084, Dubai, UAE	100%
Permotio Consultancy DWC LLC	PO Box 54084, Dubai, UAE	100%
PIL (Dubai) SPC 1 Ltd **	PO Box 54084, Dubai, UAE	0%
PIL Brazil Holdings 1 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Brazil Holdings 2 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Europe Holdings Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Mexico Holdings 1 Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Mexico Holdings 2 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Mexico SL	Mexico City, Mexico	100%
PIL Middle East Holdings Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL UK Holdings 1 Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL UK Holdings 2 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Pink & Blue, S.C.	Calle Mariano Azuela 63, Ciudad Satelite Municipio de Naucalpan de Juarez, C.P. 53100, State of Mexico (Registro Público de Personas Morales de Tlalnepantla)	100%
Promouvoir Management Consultancy LLC **	Baniyas East, PO Box 12986, Abu Dhabi, UAE	49%
Reach British School LLC **	Baniyas East, PO Box 12986, Abu Dhabi, UAE	49%

Notes to the consolidated financial statements (continued)

NOTE 13 – SUBSIDIARIES (continued)

Red Wolf Wilderness Adventures, LLC	645 Lakeland East Drive, Suite 101, Flowood, Mississippi 39232.	95%
River Forest Partners LLC	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	95%
Rodríguez y Maulén Educacional SpA	Rodríguez y Maulén Educacional SpA Santiago, Chile	100%
Rowntree Montessori Shools Inc	3 Sunforest Drive, Brampton, Ontario L6Z 2Z2.	100%
Temple Cambridge Limited	*100 New Bridge Street, London, EC4V 6JA, United Kingdom*	100%
Tenby Aman Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Ecohill Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Educare SDN. BHD.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Education Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Labuan Foundation	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.	100%
Tenby Rawang Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Southern Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby World Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
The Aquila School Owned by Shaikh Mohammed Maktoum Juma Al Maktoum One Person Company LLC (Aquila)**	PO Box 26540, Dubai, UAE.	0%
The Hamilton International School LLC**	Mesaimeer 56 - street number 1117, building number 117, Doha, Qatar.	49%
Thomas Jefferson Zona Esmeralda TJZE, S.C.	Manuel Payno No 40, Ciudad Satélite, Municipio de Naucalpan de Juárez, C.P. 53100, State of Mexico (Instituto de la Función Registral del Estado de México, Oficina Tlalnepantla)	100%
Tienda Cincuenta Aniversario, S.A.	Costa Rica, San Jose, Santa Ana, Pozos, one and a half kilometers west from Banco DAVIVIENDA.	100%
Torpequil Inmobiliaria Torpimob S.A.	La Moderna Street, plot 3-1, Samborondon - Ecuador	100%
Young Explorers Educational Services Inc.	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3	100%

* These entities are direct subsidiaries of the Company; all others are indirectly held.
** Although the Company owns indirectly less than half of the shares of these entities, management has determined that the Company indirectly controls them. This is by virtue of agreement with the companies' other shareholders whereby the Company exercises management control over the entities.

Notes to the consolidated financial statements (continued)

NOTE 14 – TRADE AND OTHER RECEIVABLES

(in €000's)	31 August 2021	31 August 2020
Trade Debtors	22,908	21,126
Intercompany Receivables	3,078	54
Other Receivables	3,643	6,164
Deposits	11,377	8,608
Total	**41,006**	**35,952**

Other receivables do not contain any significant individual balances and the balances apparent are different in nature. The most significant balance relates to amounts owed from parties associated to a school.

The carrying amounts of trade and other receivables are considered to be the same as their fair values due to their short-term nature. Past due receivables and doubtful debts are provided for in full with costs going through other costs.

NOTE 15 – PREPAYMENTS

Short term prepayments

(in €000's)	31 August 2021	31 August 2020
Other prepayments	9,429	9,471
	9,429	**9,471**

Current and prior year other prepayments relate to standard operating expense prepayments.

NOTE 16 - CASH AND CASH EQUIVALENTS

(in €000's)	31 August 2021	31 August 2020
Bank balances	229,219	77,641
Total	**229,219**	**77,641**

NOTE 17 - FINANCIAL INSTRUMENTS

All of the group's financial liabilities are subsequently measured at amortised cost. The group has not disclosed the fair values of its financial instruments, as it considers their carrying amounts are a reasonable approximation of fair value.

Notes to the consolidated financial statements (continued)

NOTE 18 - EQUITY

18.1 Share capital and share premium

As at 31 August 2021, the Company had 1,361,561 A ordinary shares of €0.01 each, 120,660 A1 ordinary shares of shares of €0.0001 each, 3,054 B1 ordinary shares of €0.01 each, 240 B2 shares of €1.50 each, 13,750 C shares of €0.00001 each, 5,894 D ordinary shares of €0.00001 each, and 1 E ordinary share of €1 each.

During the year, 160,970 A ordinary shares were Issued at a premium of €2,240.88 per share, and 1,063,803 A ordinary shares were issued at a premium of €22.40 per share. 5,944 A1 ordinary shares were issued at a premium of €8.41 per share. The remaining share issues in the year were issued at par value.

In shares	A	B1	Ordinary	A1	B2	C	D	E
On issue at 1 September 2020	136,787	3,054	1	114,715	240	13,550	5,808	-
Issued during the year	1,224,774	-	-	5,945	-	200	86	1
Cancelled	-	-	(1)	-	-	-	-	-
On issue at 31 August 2021	**1,361,561**	**3,054**	-	**120,660**	**240**	**13,750**	**5,894**	**1**

Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The Group does this through both reinvesting in the business and seeking to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The Group monitors capital using an adjusted net leverage ratio which aligns with its largest external banking agreement.

	31 August 2021	31 August 2020
Allotted, called up and fully paid	€	€
Share premium	**464,476,572**	**9,935,821**
Ordinary shares	**14,019**	**1,760**

The increase in share premium of €454,540,751 is directly attributable to the equity transaction which took place in July 2021.

18.2 Translation reserves

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (Euro "€"), are recognised directly in other comprehensive income and accumulated in the translation reserve.

18.2 Capital Contribution reserve

The reserve comprises contributions to the Company from its shareholders, other than in exchange for the issue of equity instruments. During the year such contribritions were received from the Group's shareholders totalling €79,931,000. This included the waiving of interest relating to the listed bond and related party loans in exchange for capital contributions totalling €68,452,000.

18.3 Non-controlling interest

The Group's subsidiaries with Non-Controlling Interests are as follows:

- ISP Kehoe Holdings LLC, Kehoe-France Inc., Kehoe-France Day Camp, Inc., River Forest Partners LLC, Red Wolf Wilderness Adventures, LLC and France Family Partners LLP which are all owned 95%.
- Formación, Educación Y Cultura, S.C. which is owned 90%.

Transfers from NCI were recorded in the year as a result of the acquisition of the remaining 5% share capital of Tienda Cincuenta Aniversario, S.A. and Centro Educacional Escuela Católica Activa, S.A.

The Group has not disclosed information relating to IFRS 12.10(a)(ii), 12, B10-11, as no Group subsidiaries have a material non-controlling interest.

Notes to the consolidated financial statements (continued)

NOTE 19 – BORROWINGS

(in €000's)	31 August 2021	31 August 2020
Bank Loans	780,163	569,268
Borrowing Costs	(30,495)	(15,696)
Listed Bond	-	146,771
Loans from related parties	-	248,971
Lease Liability	280,792	264,466
Other Loans	20,699	24,826
Total	**1,051,159**	**1,238,606**
Current	16,059	143,094
Non-current	1,035,100	1,095,512

There are three significant bank loans that are all Euro denominated.

- Term Loan 1 (€338.6m principal plus accrued interest) is repayable in July 2028.
- Acquisition Facility (€391.4m principal plus accrued interest) is repayable in July 2028.
- Revolving Credit Facility (€45m principal plus accrued interest) is repayable in September 2023, was increased by €5,000,000 and extended to January 2028 following the end of the reporting period.

Included within the bank loan creditors are capitalised deal fees of €30,495,000, which are amortised over a period of 7 years.

The interest rates on the bank loans range from: Base rate + 3%-5.75%.

The interest rate on listed bonds was Base rate + 2.25%. The bonds were Euro denominated and listed on the International Stock Exchange (Guernsey). They were repayable in 2024 but repaid early as part of the refinancing in July 2021

The related party loans consisted of several shareholder loans. The loans had various maturity dates, all exceeding 5 years, and charged interest of 10%. These were settled in the year as part of the refinancing in July 2021.

Other loans relate to loans held by subsidiaries across the Group, which have varying interest and repayment periods.

Leases as a lessee

The Group recognises right-of-use assets and lease liabilities on the balance sheet in line with Under IFRS 16.

Right-of-use assets
Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 12).

The Group leases school buildings. Leases typically run for a period of up to 25 years, though the longest unexpired lease term is 170 years.

Lease liability interest is disclosed in note 9. Leases of low value assets, or short-term lease are expensed. The total expense for such leases in the year was €4,970,728 (2020: €1,143,075).

Notes to the consolidated financial statements (continued)

NOTE 19 – BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

(in €000's)	Bank loans and borrowings	Lease Liabilities
Balance at 1 September 2020	974,139	264,466
Changes from financing cash flows		
Proceeds from new bank loan	210,000	-
Proceeds from related party borrowing	4,950	-
Repayment of borrowings	(2,207)	-
Repayment of leases	-	(20,773)
Capitalised borrowing costs	(17,125)	-
Interest paid	(58,338)	-
Total changes from financing cash flows	137,280	(20,773)
Other changes		
Lease Liability Additions	-	4,114
Issue of equity	(429,116)	-
Exchange differences	-	5,958
Liabilities Acquired	6,859	8,204
Interest expense	81,206	18,823
Total other changes	(341,051)	37,099
Balance at 31 August 2021	**770,368**	**280,792**

If the Group exceeded its leverage covenant (11.75:1 maximum permitted as at 31 August 2021) and is not cured (if capable of being cured) within 20 business days of the delivery of the compliance certificate, the term loan and acquisition facility would become repayable on demand. The Group did not exceed this leverage covenant as at 31 August 2021 and does not expect to over the going concern period, see note 1.

The shares of ISP Chile Limited, ISP Colombia Limited, ISP Costa Rica Limited, ISP Dormant 1 Limited, ISP Ecuador Limited, ISP Malaysia Limited, ISP Peru Limited, ISP Vietnam Limited, PIL Europe Holdings Limited, PIL Mexico Holdings 1 Limited, PIL Mexico Holdings 2 Limited, PIL Middle East Holdings Limited, PIL UK Holdings 1 Limited and ISP North America Limited have been pledged as security for the loan.

The initial fair value of the liability portion of bonds and borrowings are determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liabilities are subsequently recognised on an amortised cost basis until extinguished on conversion or maturity.

When calculating the fair value of the borrowings consideration has been made to the market rate, maturity and significance of the borrowing.

	As at 31 August 2021		As at 31 August 2020	
(in €000's)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Listed Bond	-	-	146,771	146,771
Loans from related parties	-	-	248,971	248,971

Notes to the consolidated financial statements (continued)

NOTE 20 – PROVISIONS

(in €000's)	31 August 2021	31 August 2020
Professional services rendered	-	1,666
Total	**-**	**1,666**

(in €000's)	Professional services rendered
Brought forward - 1 September 2020	1,666
Utilised in year	(1,666)
Charged in year	-
Carried forward - 31 August 2021	**-**

Professional services rendered provision in the prior year relate to legal, accounting and audit fees. The provision has been released as in the current year there are no uncertainties in calculating these numbers.

NOTE 21 – TERM DEPOSITS

(in €000's)	31 August 2021	31 August 2020
Term deposits	12,028	18,366
Total	**12,028**	**18,366**

The term deposits balance relates to security deposits (which are typically non-refundable) paid in advance of students joining a school.

Notes to the consolidated financial statements (continued)

NOTE 22 – OTHER FINANCIAL LIABILITIES

(in €000's)	*31 August* 2021	*31 August* 2020
Deferred Consideration	7,620	9,065
Contingent Consideration	2,232	-
Total	**9,852**	**9,065**
Current	9,326	5,958
Non-Current	526	3,107

The deferred consideration at 31 August 2021 consists of €4,280,000 relating to the acquisition of Tomás Alva Edison School, €2,105,000 relating to the acquisition of Bellevue Children's Academy, and €1,285,000 in relation to the acquisition of the British School of Geneva. Contingent consideration at 31 August 2021 consists of €2,232,000 in relation to the acquisition of MILE school.

The deferred consideration at 31 August 2020 consists of €6,369,000 relating to the acquisition of Tomás Alva Edison School, €500,000 relating to the acquisition of British Education Management, €2,089,000 relating to the acquisition of Bellevue Children's Academy and €107,000 in relation to the acquisition of Colegios Privados Internacionales, S.L. and Tambay Aravaca, S.L.

NOTE 23 - TRADE AND OTHER PAYABLES

(in €000's)	31 August 2021	31 August 2020
Trade Creditors	8,039	7,155
Capex Creditor	1,511	1,510
Payroll Creditor	12,209	12,212
Other Creditors	10,862	2,460
Accruals	21,716	18,769
Total	**54,337**	**42,106**

The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature.

NOTE 24 - CURRENT TAX LIABILITIES

(in €000's)	31 August 2021	31 August 2020
Payroll Taxes Creditor	3,724	4,263
Total	**3,724**	**4,263**

Notes to the consolidated financial statements (continued)

NOTE 25 – REMUNERATION OF KEY MANAGEMENT PERSONNEL

During the 2021 financial year, the Group paid €1,607,437 (2020: €627,000) to its key management personnel. Key management personnel are assessed as directors of International Schools Partnership Limited. The highest paid director received remuneration of €1,035,789 (2020: €224,000). The Group implemented a pension scheme for key management personnel in July 2017. During the 2021 financial year each management personnel received €nil (2020: €nil) of pension benefit.

NOTE 26 - RELATED PARTY TRANSACTIONS

Amounts outstanding at the year-end were as follows:

Borrowings from related parties

(in €000's)	31 August 2021	31 August 2020
Listed bond through related party	-	146,771
Loans from parent company	-	248,971
Total	**-**	**395,742**

Trading balances with related parties

(in €000's)	31 August 2021	31 August 2020
Trading balance with parent company's	3,078	(273)
Total	**3,078**	**(273)**

Listed bond through related party together with the associated interest are in respect of amounts due to Partners Group Princess Learning IC Limited as shareholder of the Parent Company. Although the bonds are listed, the debt is fully held by Partners Group Princess Learning IC Limited, which is why it is considered due to a related party.

Loans and trading balances with parent company are amounts held with Permotio International Learning S.à r.l., the immediate parent company of International Schools Partnership Limited.

During the year, interest payable on the Listed bond through related party was €3,461,000 (2020: €2,891,000). Interest payable on the Loans from parent company was €24,759,000 (2020: €23,847,000). Following the early settlement of the of the listed bond and related party loans as part of the refinancing in July 2021, the interest payable was waived in exchange for capital contributions in the year.

Notes to the consolidated financial statements (continued)

NOTE 27 - EVENTS AFTER THE DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS

On 2 September 2021, PIL Europe Holdings Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Ecole Mosaic SA. The company was purchased for CHF 9,329,400.

On 29 September 2021, ISP US Holdings Inc. (US resident), which is a 100% owned subsidiary of ISP North America Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Riviera Preparatory School Holdings, LLC and Laro CG LLC. The companies were purchased for USD 123,363,194.

On 13 October 2021, Tenby Educare Sdn Bhd (Malaysia Resident), which is a 100% owned subsidiary of ISP Malaysia Ltd (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Straits International Education Group Sdn. Bhd, which itself holds 100% of the share capital of KK Straits International Education Group Sdn. Bhd and SG Straits International Education Group Sdn. The companies were purchased for MYR 41,998,072.

On 18 January 2022, ISP India Ltd (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 75% of the share capital of St Marys Edumanagement Services Private Limited (India resident). The companies were purchased for INR 1,300,000,000.

The accounting process for each of these acquisitions has not been finalised to show the calculation of the goodwill on acquisition.

There has been a total draw down of €41,500,000 from the acquisition facility to facilitate the post year end acquisitions. The drawdowns occurred on 13 December 2021 for €16,500,000 and 17 December 2021 for €25,000,000.

The Revolving Credit Facility was also increased by €5,000,000 on 17 December 2021 and was extended to January 2028.

NOTE 28 – ULTIMATE PARENT COMPANY

The ultimate parent company is International Schools Partnership I S.à r.l. The immediate controlling party is Permotio International Learning S.à r.l.

This is the smallest and largest entity to consolidate the results of the company.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS

Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. The acquisitions have been included in the consolidated financial statements from the date that the control was obtained by the Group. Acquisitions are performed to strengthen and widen the presence of the Group. Unless otherwise stated, control is gained through the purchase of the share capital of the company. Details of the acquisitions and disposals along with adjustments to the valuation of goodwill recognised are detailed below. Acquisition costs are recognised in the statement of comprehensive loss in other costs.

Business combinations between 1 September 2020 and 31 August 2021

Rowntree Montessori School
On 3 December 2020, ISP Rowntree Inc. (Canada resident) a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Rowntree Montessori Schools Inc. and 4039459 Canada Ltd.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	13,010
Tangible assets	4,362
Lease asset	183
Current assets	45
Cash	2,369
Current Liabilities	(3,330)
Lease liability	(183)
Deferred tax liabilities	(1,911)
Net assets attributable to owner	1,535
Intangible asset recognised on acquisition relating to the student registry	4,085
Goodwill	7,390

*Converted using a foreign exchange rate of 1.566 CAD/€.
**Consideration on acquisition was cash of CAD 20,378,000. There was no deferred or contingent consideration.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €5,300. The gross contractual receivable was €5,300. The provision for contractual cash flows not expected to be collected was nil. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2021
Revenue	2,925	4,116
(Loss) / Profit	(78)	424
Acquisition costs	285	293

***Post-acquisition refers to the following period: date of acquisition to 31 August 2021.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Lynn-Rose Schools

On 1 December 2020, ISP Lynn-Rose Inc. (Canada resident) a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Lynn-Rose Corp, Lynn Rose College Inc. and Young Explorers Educational Services Inc, together "Lynn-Rose Schools"

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	8,417
Tangible assets	9,192
Lease asset	572
Current assets	1,338
Cash	1,510
Current Liabilities	(8,606)
Lease liability	(572)
Deferred tax liabilities	(1,594)
Long term liabilities	(4)
Net assets attributable to owner	1,836
Intangible asset recognised on acquisition relating to the student registry	2,900
Goodwill	3,681

*Converted using a foreign exchange rate of 1.554 CAD/€.

** Consideration on acquisition was cash of CAD 13,083,000. There was no deferred or contingent consideration.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €1,265,000. The gross contractual receivable was €1,488,000. The provision for contractual cash flows not expected to be collected was €223,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2021**
Revenue	3,030	4,175
Profit	109	429
Acquisition costs	208	224

***Post-acquisition refers to the following period: date of acquisition to 31 August 2021.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

British School of Geneva

On 19 April 21 PIL Europe Holdings Limited (UK resident) a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Ark Holdings SA (Switzerland Resident) and ASC International House SA (Switzerland Resident).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	12,078
Tangible assets	370
Lease asset	5,949
Current assets	1,857
Cash	1,356
Current liabilities	(2,806)
Lease liability	(5,949)
Deferred tax liabilities	(572)
Long term liabilities	(5,127)
Net assets attributable to owner	(4,922)
Intangible asset recognised on acquisition relating to the student registry	4,083
Goodwill	12,917

*Converted using a foreign exchange rate of 1.1027 CHF/€.

** Consideration on acquisition was cash of CHF 11,928,000 and CHF 1,390,000 of deferred consideration

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €1,254,000. The gross contractual receivable was €1,344,000. The provision for contractual cash flows not expected to be collected was €90,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2021**
Revenue	1,285	5,087
(Loss) / Profit	(700)	424
Acquisition costs	390	390

***Post-acquisition refers to the following period: date of acquisition to 31 August 2021.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Mile Bilingual School

On 6 April 21 PIL Europe Holdings Limited (UK resident) a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Magafe 2 Srl (Italy Resident) and Mile Srl (Italy Resident).

The goodwill on acquisition was calculated as follows:

	€000's
Consideration*	14,503
Tangible assets	450
Lease asset	2,147
Current assets	953
Cash	1,491
Current Liabilities	(2,866)
Long term liabilities	(649)
Lease liability	(2,147)
Deferred tax liabilities	(1,283)
Net assets *attributable to owner*	(1,904)
Intangible asset recognised on acquisition relating to the student registry	4,750
Goodwill	11,657

* Consideration on acquisition was cash of EUR 12,271,000, and contingent consideration of EUR 2,232,000. Contingent consideration actually paid out post-acquisition was EUR €1,066,000, which was based on the final trade debtors' position and student enrolments.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €824,000. The gross contractual receivable was €824,000. The provision for contractual cash flows not expected to be collected was nil. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2021**
Revenue	5,047	7,688
Profit	468	822
Acquisition costs	488	488

****Post-acquisition refers to the following period: date of acquisition to 31 August 2021.*

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Colegio British Royal School

On 27 August 2021 21 ISP Chile SPA (Chile resident), a 100% owned subsidiary of PIL Brazil Holdings 2 Limited (UK Resident), a 100% owned subsidiary of ISP Chile Limited (UK Resident), a 100% owned subsidiary of International Schools Partnership Limited (UK Resident), acquired 100% of the share capital of Colegio British Royal School SpA (Chile Resident).

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	28,299
Tangible assets	483
Current assets	393
Cash	98
Current Liabilities	(2,346)
Deferred tax liabilities	(2,948)
Net assets attributable to owner	(4,320)
Intangible asset recognised on acquisition relating to the student registry	10,920
Goodwill	21,699

*Converted using a foreign exchange rate of 871.3 CLP/€.

** Consideration on acquisition was cash of CLP 24,657,406,000. There was no deferred or contingent consideration.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The carrying value of trade receivables at the acquisition date was €323,000. The gross contractual receivable was €350,000. The provision for contractual cash flows not expected to be collected was €27,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2021**
Revenue	-	8,240
Profit	-	3,073
Acquisition costs	-	195

****Post-acquisition refers to the following period: date of acquisition to 31 August 2021.*

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Business combinations between 1 September 2019 and 31 August 2020

La Colina

On 15 November 2019, ISP Colombia Limited (UK resident) a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Inversiones La Colina MCM, S.A.S.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	10,991
Tangible assets	4,660
Current assets	74
Current liabilities	(737)
Cash	407
Deferred tax liabilities	(477)
Net assets attributable to owner	3,927
Intangible asset recognised on acquisition relating to the student registry	2,066
Goodwill	4,998

*Converted using a foreign exchange rate of 3,697 COP/€.

** Consideration on acquisition was cash and deferred consideration of COP 40,630,000,000.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The recoverable amount related to goodwill arising on acquisition is €21,131,301 at the balance sheet date.

The carrying value of trade receivables at the acquisition date was € 5,000. The gross contractual receivable was € 169,000. The provision for contractual cash flows not expected to be collected was € 164,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	***Post-acquisition	Year ended 31 August 2020
Revenue	1,887	3,048
Profit	65	237
Acquisition costs	45	2,375

***Post-acquisition refers to the following period: date of acquisition to 31 August 2020.

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

St George's College (Peru)

On 17 December 2019, ISP Peru Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Colegio San Jorge de Miraflores S.C.R.L.. The school was purchased for USD 72,439,638.

The goodwill on acquisition was calculated as follows:

	€000's*
Consideration**	65,852
Tangible assets	31,087
Current assets	775
Current liabilities	(2,954)
Cash	1,736
Long term liabilities	(6,402)
Deferred tax liabilities	(13,960)
Net assets attributable to owner	10,282
Intangible asset recognised on acquisition relating to the student registry	27,089
Goodwill	28,481

*Converted using a foreign exchange rate of 1.1000 USD/€.

** Consideration on acquisition was cash.

The goodwill is attributable mainly to the synergies and opportunities that the Group will bring to the school through direct investment and improved learning.

The recoverable amount related to goodwill arising on acquisition is €65,760,000 at the balance sheet date.

The carrying value of trade receivables at the acquisition date was €566,000. The gross contractual receivable was €822,000. The provision for contractual cash flows not expected to be collected was €255,000. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2020**
Revenue	6,672	12,012
Profit	1,128	3,004
Acquisition costs	797	1,056

***Post-acquisition refers to the following period: date of acquisition to 31 August 202

Notes to the consolidated financial statements (continued)

NOTE 29 – ACQUISITIONS (continued)

Colegio Internacional Aravaca

On 5 February 2020, Colegios Laude S.L. (Spanish resident), which is a 100% owned subsidiary of PIL Europe Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Colegios Privados Internacionales, S.L. and Tambay Aravaca, S.L..

The goodwill on acquisition was calculated as follows:

	€000's
Consideration*	7,560
Tangible assets	17,380
Current assets	1,225
Current liabilities	(5,699)
Cash	15
Long term liabilities	(3,982)
Deferred tax liabilities	(3,082)
Net assets attributable to owner	5,857
Intangible asset recognised on acquisition relating to the student registry	1,913
Negative Goodwill	(210)

* Consideration on acquisition was cash.

The carrying value of trade receivables at the acquisition date was €nil. The gross contractual receivable was €nil. The provision for contractual cash flows not expected to be collected was €nil. Carrying value of trade receivables is deemed a reasonable approximation of fair value.

CGU performance and acquisition costs:

(in €000's)	*****Post-acquisition**	**Year ended 31 August 2020**
Revenue	1,368	3,824
(Loss) / Profit	(61)	331
Acquisition costs	111	723

***Post-acquisition refers to the following period: date of acquisition to 31 August 2020.

Notes to the consolidated financial statements (continued)

NOTE 30 – DEFERRED TAX LIABILITIES

(in €000's)	31 August 2021	31 August 2020
Deferred Tax Liability	(51,276)	(44,738)
Deferred Tax Asset	23,564	15,171
Total	(27,712)	(29,567)
Current	-	-
Non-Current	(27,712)	(29,567)
Total	(27,712)	(29,567)

	1 September 2020 €000's	Recognised in Statement of Comprehensive Loss €000's	Acquired in business combinations and fair value uplifts on acquired fixed assets €000's	Other €000's	31 August 2021 €000's
Intangible assets	(43,787)	5,205	(8,267)	(1,925)	(48,774)
Tax losses carried forward	4,549	2,615	-	6	7,170
Other	9,671	4,957	-	(736)	13,892
	(29,567)	12,777	(8,267)	(2,655)	(27,712)

The Group has a deferred tax liability of €48.7million (2020: €44.7 million) arising from student registries and fair value uplifts on acquired fixed assets. The Group has recognised deferred income tax assets of €7.2million (2020: €4.5 million) in respect of losses and €13.9 million (2020: €9.9 million) in respect of other temporary timing differences. No deferred tax asset has been recognised in respect of amounts recorded directly in other comprehensive income due to the uncertainty of their future recoverability.

The deferred tax liability has been calculated using the prevailing tax rate in the jurisdictions which the fair value uplifts have taken place and the rate at which the liability is expected to arise.

NOTE 31 – CONTINGENT LIABILITIES

To our knowledge there are no contingent liabilities. We have fully provided for material taxes and associated taxes, but not related interest and fines.

Company Statement of Financial Position
as at 31 August 2021

	Note	31 August 2021	31 August 2021 €000's	31 August 2020	31 August 2020 €000's
Fixed assets					
Investments	3		708,318		288,522
Debtors: amounts falling due after more than one year	4		150,087		500,860
Current assets:					
Debtors: amounts falling due in less than one year	5	53,560		9,920	
Cash at bank and in hand		178,003		29,466	
		231,563		39,386	
Creditors: Amounts falling due within one year	6	(32,789)		(137,152)	
Net current Assets / (Liabilities)			198,774		(97,766)
Creditors: Amounts falling due after more than one year	7		(745,019)		(834,736)
Net Assets / (Liabilities)			312,160		(143,120)
Capital and reserves					
Called up share capital	8		14		2
Share Premium Account	8		464,477		9,936
Capital Contribution reserve	9		79,931		-
Profit and loss account	9		(232,262)		(153,058)
Shareholders' Funds / (deficit)			312,160		(143,120)

The notes on pages 65 to 74 form part of these financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes, as it prepares group accounts. The company's total comprehensive loss for the period was € (79,204,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 February 2022

D Mee
Director

Company statement of changes in equity

from 1 September 2020 to 31 August 2021

	Called up share capital €000's	Share Premium Account €000's	Capital Contribution €000's	Profit and loss account €000's	Total €000's
At 31 August 2019	2	9,035	-	(88,895)	(79,858)
Share issue during the year	-	901	-	-	**901**
Loss for the year	-	-	-	(64,163)	**(64,163)**
At 31 August 2020	2	9,936	-	(153,058)	(143,120)
Equity Transactions during the year	**12**	**454,541**	**79,931**	-	**534,484**
Loss for the year	-	-	-	**(79,204)**	**(79,204)**
At 31 August 2021	14	464,477	79,931	(232,262)	312,160

The notes on pages 65 to 74 form part of these financial statements.

Notes to the Company financial statements

1. Accounting Policies

1.1 Basis of preparation of financial statements

International Schools Partnership Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in England in the UK. The registered number is 09817502 and the registered address is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

- The group financial statements have been prepared in accordance with International Accounting Standards in conformity with the companies Act 2006 ("IFRS"). The Company has elected to prepare its parent company financial statements in accordance with FRS 101 (Reduced Disclosure Framework); these are presented on pages 63 to 74. On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The Company has taken advantage of the following disclosure exemptions as permitted by FRS101:

- The Company has not prepared a cash flow statement and related notes
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*
- Disclosures in respect of transactions with wholly owned subsidiaries
- Disclosures of transactions with a management entity that provides key management personnel services to the Company

The financial statements are presented in Euro (€). The Company's financial statements are rounded to the nearest thousand Euro ("€000's").

1.2 Investment policy

Investments in subsidiaries are carried at cost less impairment to date.

2. Directors' remuneration

No director received remuneration, retirement or other benefits from the Company during either the current or prior year. Due to the nature of operations of the Group, the remuneration of the Directors for their services to International Schools Partnership Limited is not contained in the records of the Company. The directors are remunerated for their services to the group, which is disclosed in note 25 of the consolidated financial statements. Their services to this entity are minimal and a trivial amount of their remuneration is attributable to this entity.

Notes to the Company financial statements (continued)

3. Investments

Company cost	Shares in group undertakings €000's
At 31 August 2019	**164,967**
Acquired in period	123,555
Impairment	-
At 31 August 2020	**288,522**
Acquired in period	419,796
Impairment	-
At 31 August 2021	**708,318**

The Group consists of a parent company, International Schools Partnership Limited, incorporated in United Kingdom and several subsidiaries held directly and indirectly by International Schools Partnership Limited.
The ownership is the same in current and previous year, except for subsidiaries purchased in the year, please see Note 29 of the group financial statements for further details.
The group has also disposed of the following subsidiaries, Colegios Privados Internacionales SL, Tambay Aravaca SL, following the transfer of their trade and assets to Colegios Laude SA and Tecnologia Educativa S.A.C and Jovial Learner S.a.r.l.

At 31 August 2021 the Company had interests in the ordinary shares in the following subsidiaries:

Company name	Registered address	Percentage ownership of ordinary shares
4039459 Canada Ltd	1785 Queen Street East, Unit J, Brampton, Ontario, Canada L6T 4S3	100%
Abastecedora Escolar TAE, S.A. de C.V.	Calle Ozumbilla, Mz 99 Lt 117, Los Héroes de Tecámac Sección Bosques, Tecámac, 55764 State of Mexico (Registro Público de la Propiedad de Tlalnepantla, Estado de México)	100%
Administradora de Colegios Pedro de Valdivia SpA	Administradora de Colegios Pedro de Valdivia SpA, Santiago, Chile	100%
Al Nibras International Private School LLC **	PO Box 54084, Dubai, UAE	49%
Ark Holdings SA	Av. de Châtelaine 95A 1219 Châtelain, Geneva. Switzerland	100%
ASC international House SA	Av. de Châtelaine 95A 1219 Châtelain, Geneva. Switzerland	100%
Asia Pacific Schools Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Aspen Heights British School LLC **	PO Box 137352, Abu Dhabi, UAE.	0%
Aspen Heights Educational Facilities Management Sole Proprietorship LLC **	PO Box 33366, Abu Dhabi, UAE.	0%
British Education Management, S.L.	Avenida Centaurea 8, 29018 Cerrado De Calderon, Malaga Spain	100%
British Royal School S.A.	Av Las Perdices 263, La Reina Santiago, Chile	100%

Notes to the Company financial statements (continued)

3. Investments (continued)

Centro Educacional Escuela Católica Activa, S.A.	Costa Rica, San Jose, Santa Ana, Pozos, one and a half kilometer west from Banco DAVIVIENDA	100%
Claremont School (St. Leonards) Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Colegio British Royal School SpA	Av Las Perdices 263, La Reina Santiago, Chile	100%
Colegio Pedro de Valdivia Las Condes SpA	Av. Las Condes 13349, Las Condes, Chile	100%
Colegio Pedro de Valdivia Peñalolén SpA	Av. Quilín 5473, Peñalolén, Santiago, Chile	100%
Colegio Pedro de Valdivia Providencia SpA	Av. Pedro de Valdivia 1939, Providencia, Santiago, Chile	100%
Colegio San Jorge de Miraflores S.C.R.L.	Av. General Ernesto Montagne N° 360, Miraflores, Lima – Perú	100%
Colegios Laude, SA	Calle Doctor Fleming, 3, 10th floor - left, 28036 Madrid Spain.	100%
Corporación CLR S.A.C.	Av. General Ernesto Montagne N° 360, Miraflores, Lima – Perú	100%
Elementary School Thomas Jefferson, S.C.	Circuito Gardenia #5, Col. Hacienda Santa Mónica, Tlalnepantla de Baz, 54050, State of Mexico (Registro Público de la Propiedad de Tlalnepantla, Estado de México)	100%
Fondcare Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Formación, Educación Y Cultura, S.C.	Calle Heriberto Frías 1401, Colonia del Valle Sur, Alcaldía Benito Juarez, C,P, 03104, Mexico City, Mexico (Registro Público de la Propiedad y del Comercio de la Ciudad de México)	90%
France Family Partners LLP	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816.	95%
Hamilton International Development Limited (formerly known as Marlborough Group Limited)	Mesaimeer 56 - street number 1117, building number 117, Doha, Qatar.	100%
High School Thomas Jefferson, S.C.	Manuel Payno No 40, Ciudad Satélite, Municipio de Naucalpan de Juárez, C.P. 53100, State of Mexico (Registro Público de la Propiedad de Tlalnepantla)	100%
Ilmu Bijak Bestari Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Inmobiliaria de Mexico Mes, S.A. de C.V.	Boulevard Miguel Cervantes Saavedra 169, piso 2, Colonia Granda, Alcaldía Miguel Hidalgo C.P. 11520, Mexico City, (Registro Público de la Propiedad y de Comercio de la Ciudad de México)	100%
Inmobiliaria Emibu S.A.	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil - Ecuador	100%
Inmobiliaria Panamericana C.A.	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil - Ecuador.	100%
Inmobiliaria Pel, S.A.	Calle Amores 1620, Colonia Del Valle, Alcaldía Benito Juárez C.P. 03100, Mexico City, (Registro Público de la Propiedad y de Comercio de la Ciudad de México)	100%
Instituto Educativo Moderno De Guayaquil Inemoquil C. Ltda.	Plot No. 4, Km. 2.5 Via Samborondon, Samborondon, Guayas Province, Ecuador.	100%

Notes to the Company financial statements (continued)

3. Investments (continued)

Instituto Thomas Jefferson Company Querétaro, S.C.	Avenida Asteroides 1200, Colonia Rancho Sam Antonio, Municipio de Santiago de Querétaro, Querétaro C.P. 76149 (Registro Público de la Propiedad de Querétaro)	100%
Instituto Thomas Jefferson Guadalajara, S.C.	Vialidad Ramal La Tijera 1753, Municipio de Tlajomulco de Zuñiga, Localidad Las Amapas C.P. 45640 Guadalajara, Jalisco (Registro Público de la Propiedad y de Comercio de Jalisco)	100%
Instituto Thomas Jefferson Valle Real, S.C.	Avenida Prolongación Jesús 3451, Colonia Los Girasoles Municipio de Zapopan Guadalajara, Jalisco. C.P. 45130 (Registro Público de la Propiedad y de Comercio de Jalisco)	100%
International Parents Trust, LLC	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	100%
International Schools Partnership Services Limited *	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Inversiones La Colina MCM, S.A.S.	La Calera, Cundinamarca, Colombia	100%
Ipoh International School Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
ISP Baton Rouge, Inc.	1209 Orange Street, Wilmington, Delaware 19801	100%
ISP Bellevue Inc.	711 Capitol Way South, Suite 204, Olympia, Washington 98501.	100%
ISP Broward Holdings LLC	1200 South Pine Island Road, Plantation, Florida 33324.	100%
ISP Broward LLC	1200 South Pine Island Road, Plantation, Florida 33324	100%
ISP Chile Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP Chile SpA	5561 Oficina 401, Las Condes, Santiago Chile	100%
ISP Colombia Limited (formerly ISP Dormant 3 Limited)*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP Colombia SAS	La Calera, Cundinamarca, Colombia	100%
ISP Costa Rica Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP East Coast Holdings Inc	1209 Orange Street, Wilmington, Delaware 19801	100%
ISP Ecuador Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP Kehoe Holdings LLC	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	95%
ISP Malaysia Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP US Holdings Inc	1209 Orange Street, Wilmington, Delaware 19801	100%
ISP US Management Co.	1200 South Pine Island Road, Plantation, Florida 33324	100%
ISP Vietnam Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
ISP West Coast Holdings Inc	160 Greentree Drive, Suite 101, Dover, Delaware 19904	100%
Kehoe-France Day Camp, Inc.	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	95%

Notes to the Company financial statements (continued)

3. Investments (continued)

Kehoe-France Inc.	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816.	95%
Kindergarden Thomas Jefferson Company Guadalajara, S.C.	Manuel Payno No 40, Ciudad Satélite, Municipio de Naucalpan de Juárez, C.P. 53100, State of Mexico (Registro Público de la Propiedad de Tlalnepantla)	100%
Kindergarden Thomas Jefferson, S.C.	Kindergarden Thomas Jefferson, S.C. , Naucalpan de Juarez, State of Mexico.	100%
Liceo Panamericano LPSA S.A.	Dolores Sucre 302 and Nicolas Augusto Gonzalez, Guayaquil, Ecuador	100%
Lynn Rose Corp	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3	100%
Lynn-Rose College Inc.	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3	100%
Magafe 2 Srl	Via S.G. Cottolengo, 25 20143 Milan, Italy	100%
Mile Srl	Via S.G. Cottolengo, 25 20143 Milan, Italy	100%
Muntazeh English School SPC (Park House English School)	Bou Hamour 56, Mesaimeer Street, building number 43, Doha, Qatar	100%
Oaks International School Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Pictos, S.A.P.I. de CV	Boulevard Miguel Cervantes Saavedra 169, piso 2, Colonia Granda, Alcaldía Miguel Hidalgo C.P. 11520, Mexico City (Registro Público de la Propiedad y de Comercio de la Ciudad de México)	100%
Permotio Consultancy DWC Dubai Branch	PO Box 54084, Dubai, UAE	100%
Permotio Consultancy DWC LLC	PO Box 54084, Dubai, UAE	100%
PIL (Dubai) SPC 1 Ltd **	PO Box 54084, Dubai, UAE	0%
PIL Brazil Holdings 1 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Brazil Holdings 2 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Europe Holdings Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Mexico Holdings 1 Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Mexico Holdings 2 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL Mexico SL	Mexico City, Mexico	100%
PIL Middle East Holdings Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL UK Holdings 1 Limited*	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
PIL UK Holdings 2 Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Pink & Blue, S.C.	Calle Mariano Azuela 63, Ciudad Satelite Municipio de Naucalpan de Juarez, C.P. 53100, State of Mexico (Registro Público de Personas Morales de Tlalnepantla)	100%
Promouvoir Management Consultancy LLC **	Baniyas East, PO Box 12986, Abu Dhabi, UAE	49%
Reach British School LLC **	Baniyas East, PO Box 12986, Abu Dhabi, UAE	49%

Notes to the Company financial statements (continued)

3. Investments (continued)

Red Wolf Wilderness Adventures, LLC	645 Lakeland East Drive, Suite 101, Flowood, Mississippi 39232.	95%
River Forest Partners LLC	3867 Plaza Tower Drive, Baton Rouge, Louisiana 70816	95%
Rodríguez y Maulén Educacional SpA	Rodríguez y Maulén Educacional SpA Santiago, Chile	100%
Rowntree Montessori Shools Inc	3 Sunforest Drive, Brampton, Ontario L6Z 2Z2.	100%
Temple Cambridge Limited	100 New Bridge Street, London, EC4V 6JA, United Kingdom	100%
Tenby Aman Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Ecohill Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Educare SDN. BHD.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Education Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan, Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Labuan Foundation	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000, Federal Territory of Labuan, Malaysia.	100%
Tenby Rawang Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby Southern Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
Tenby World Sdn. Bhd.	Level 19-1, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490, Kuala Lunpur, Wilayah Persekutuan, Malaysia.	100%
The Aquila School Owned by Shaikh Mohammed Maktoum Juma Al Maktoum One Person Company LLC (Aquila)**	PO Box 26540, Dubai, UAE.	0%
The Hamilton International School LLC**	Mesaimeer 56 - street number 1117, building number 117, Doha, Qatar.	49%
Thomas Jefferson Zona Esmeralda TJZE, S.C.	Manuel Payno No 40, Ciudad Satélite, Municipio de Naucalpan de Juárez, C.P. 53100, State of Mexico (Instituto de la Función Registral del Estado de México, Oficina Tlalnepantla)	100%
Tienda Cincuenta Aniversario, S.A.	Costa Rica, San Jose, Santa Ana, Pozos, one and a half kilometers west from Banco DAVIVIENDA.	100%
Torpequil Inmobiliaria Torpimob S.A.	La Moderna Street, plot 3-1, Samborondon - Ecuador	100%
Young Explorers Educational Services Inc.	7215 Millcreek Drive, Mississauga, Ontario, Canada, L5N 3R3	100%

*These entities are direct subsidiaries of the Company; all others are indirectly held.
** Although the Company owns indirectly less than half of the shares of these entities, management has determined that the Company indirectly controls them. This is by virtue of agreement with the companies' other shareholders whereby the Company exercises management control over the entities.

Notes to the Company financial statements (continued)

4. Debtors: amounts falling due after more than one year

(in €000's)	31 August 2021	31 August 2020
Due from group undertakings	150,087	500,860
	150,087	**500,860**

The debtors due from group undertakings are charged interest at 10.3313%.

5. Debtors: amounts falling due in less than one year

(in €000's)	31 August 2021	31 August 2020
Prepayments	1,003	875
Other debtors	1,787	-
Due from group undertakings	50,770	9,045
	53,560	**9,920**

The debtors due from group undertakings are charged interest at 10.3313%.

6. Creditors: Amounts falling due within one year

(in €000's)	31 August 2021	31 August 2020
Trade creditors	281	55
Third party and bank loan accrued interest	4,818	4,839
Third party loans	-	2,542
Accruals	2,725	1,373
Amount owed to group undertakings	24,965	128,343
	32,789	137,152

The third party loan was due to the vendor of Instituto Thomas Jefferson (ITJ) (a group of schools acquired by the Company in a prior period). The balance of the loan was repaid in the year.

Notes to the Company financial statements (continued)

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

(in €000's)	31 August 2021	31 August 2020
Bond	-	146,200
Bank loans	745,019	549,304
Amounts owed to group undertakings	-	139,232
	745,019	834,736

There are three significant bank loans that are all Euro denominated.

- Term Loan 1 (€338.6m principal plus accrued interest) is repayable in July 2028.
- Acquisition Facility (€391.4m principal plus accrued interest) is repayable in July 2028.
- Revolving Credit Facility (€45m principal plus accrued interest) is repayable in September 2023 and were extended to January 2028 following the end of the reporting period.

Included within the bank loan creditors are capitalised deal fees of €30,495,000, which are amortised over a period of 7 years.

The interest rates on the bank loans range from: Base rate + 3%-5.75%.

The interest rate on listed bonds was Base rate + 2.25%

The amounts owed to group undertakings consisted of several shareholder loans. The loans had various maturity dates, all exceeding 5 years, and charged interest of 10%. The bonds were Euro denominated and listed on the International Stock Exchange (Guernsey). They were repayable in 2024 but were settled as part of the refinancing in July 2021.

Notes to the Company financial statements (continued)

8. Share capital and share premium

Allotted, called up and fully paid	31 August 2021 €	31 August 2020 €
Share premium	464,476,572	9,935,821
Ordinary shares	14,019	1,760

As at 31 August 2021, the Company had 1,361,561 A ordinary shares of €0.01 each, 120,660 A1 ordinary shares of shares of €0.0001 each, 3,054 B1 ordinary shares of €0.01 each, 240 B2 shares of €1.50 each, 13,750 C shares of €0.00001 each, 5,894 D ordinary shares of €0.00001 each, and 1 E ordinary share of €1 each.

During the year, 160,970 A ordinary shares were Issued at a premium of €2,240.88 per share, and 1,063,803 A ordinary shares were issued at a premium of €22.40 per share. 5,944 A1 ordinary shares were issued at a premium of €8.41 per share. The remaining share issues in the year were issued at par value.

In shares	A	B1	Ordinary	A1	B2	C	D	E
On issue at 1 September 2020	136,787	3,054	1	114,715	240	13,550	5,808	-
Issued during the year	1,224,774	-	-	5,945	-	200	86	1
Cancelled	-	-	(1)	-	-	-	-	-
On issue at 31 August 2021	**1,361,561**	**3,054**	**-**	**120,660**	**240**	**13,750**	**5,894**	**1**

9. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

Share premium –represents the amount paid by the shareholders in excess of the Company's share capital nominal value. The increase in share premium of €454,540,751 is directly attributable to the equity transaction which took place in July 2021.

Capital contribution reserve – represents contributions to the Company from its shareholders, other than in exchange for the issue of equity instruments. During the year such contribritions were received from the Group's shareholders totalling €79,931,000. This included the waiving of interest relating to the listed bond and related party loans in exchange for capital contributions totalling €68,452,000.

10. Ultimate parent undertaking and controlling party

The ultimate controlling party is International Schools Partnership I S.à r.l, by virtue of its shareholding in the immediate parent company, Permotio International Learning S.à r.l.

This is the smallest and largest entity to consolidate the results of the company.

Notes to the Company financial statements (continued)

11. Subsequent events

On 2 September 2021, PIL Europe Holdings Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Ecole Mosaic SA. The company was purchased for CHF 9,329,400.

On 29 September 2021, ISP US Holdings Inc. (US resident), which is a 100% owned subsidiary of ISP North America Limited (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Riviera Preparatory School Holdings, LLC and Laro CG LLC. The companies were purchased for USD 123,363,194.

On 13 October 2021, Tenby Educare Sdn Bhd (Malaysia Resident), which is a 100% owned subsidiary of ISP Malaysia Ltd (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 100% of the share capital of Straits International Education Group Sdn. Bhd, which itself holds 100% of the share capital of KK Straits International Education Group Sdn. Bhd and SG Straits International Education Group Sdn. The companies were purchased for MYR 41,998,072.

On 18 January 2022, ISP India Ltd (UK resident), which is a 100% owned subsidiary of International Schools Partnership Limited (UK resident), acquired 75% of the share capital of St Marys Edumanagement Services Private Limited (India resident). The companies were purchased for INR 1,300,000,000.

The accounting process for each of these acquisitions has not been finalised to show the calculation of the goodwill on acquisition.

There has been a total draw down of €41,500,000 from the acquisition facility to facilitate the post year end acquisitions. The drawdowns occurred on 13 December 2021 for €16,500,000 and 17 December 2021 for €25,000,000.

The Revolving Credit Facility was also increased by €5,000,000 on 17 December 2021 and was extended to January 2028.