Registered number: 1280778

MANDER PORTMAN WOODWARD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Bishop Fleming

MANDER PORTMAN WOODWARD LIMITED

COMPANY INFORMATION

DIRECTORS	S Coles D Jones M McInroy A Thick
REGISTERED NUMBER	1280778
REGISTERED OFFICE	90-92 Queen's Gate London SW7 5AB
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL
BANKERS	HSBC Bank plc 60 Queen Victoria Street London EC4N 4TR

MANDER PORTMAN WOODWARD LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

INTRODUCTION

The directors present their Strategic Report on the Company for the year ended 31 December 2021.

BUSINESS REVIEW

The directors are satisfied with the results for the year. Student numbers were 6% down on the previous year, remaining depressed because of the pandemic, but the directors remain confident of a return to normal levels and continued long-term growth despite the disruption to examinations and student visa compliance requirements. Details of the results for the year are included in the Directors' Report.

PRINCIPAL RISKS AND UNCERTAINTIES

Economy and competition
The company's ability to recruit students both from overseas and from its main home markets could be affected by global or domestic economic downturns. Drop-out rates and bad debt provisions are a further risk from those students who are successfully recruited during difficult economic times. These risks are in part mitigated by the natural loyalty of parents when it comes to educating their children on long-term courses. Mander Portman Woodward Limited ("MPW") also maintains a high ratio of variable to fixed cost in its teaching resources, thus allowing the company to respond relatively quickly to downward changes in forecast turnover.

To the extent that the company recruits approximately one half of its students from overseas, including approximately one fifth from non-EU countries, it is subject to risks associated with the strength of foreign currencies, changes in the regulatory environment for visa sponsors, perceptions abroad of the degree to which international students are welcomed by the UK Government, breakdown of agency networks and other factors unique to overseas recruitment. The company seeks to mitigate these risks by, amongst other measures, investing in robust internal compliance audit mechanisms, strong agency relationships, personal visits by senior UK staff to overseas markets and by widening the range of countries from which we recruit students.

Business systems and infrastructure
In a people business involving face-to-face interaction on specialised sites, any major, unforeseen events affecting our ability to use our buildings could impact the delivery of our services. We ensure that adequate business interruption insurance is in place and that we keep up-to-date lists of as many alternative emergency teaching premises as possible. We use off-site hosting of IT systems wherever practicable.

Reputational risk
MPW's brand is one of the most trusted in the independent fifth and sixth-form college market. Any event that damages our reputation or brand could have adverse consequences for our ability to recruit students. The company devotes considerable management resource towards ensuring that our reputation is at the forefront of our considerations when taking both operational and strategic decisions.

Risk associated with A level business
There are a number of risks and uncertainties associated with the retake segment of the company's A level business. In particular, any factor that makes university places easier to come by, including a reduction in demand for university places, can depress the retake market. Whilst the company believes that its popularity as a provider of mainstream GCSE and A level courses will continue to outweigh fluctuations in the retake market, there are always uncertainties associated with the pace of change in these two, largely independent marketplaces.

Disease and outbreak of pandemic
On 11 March 2020, the World Health Organisation declared the global coronavirus outbreak (COVID-19) a pandemic. During the year, the spread of COVID-19 severely impacted many local economies around the globe. In many countries, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions. The company has been and will continue to be affected in several ways. The recruitment of international students has been hampered by an inability to travel to their home countries and their own

reluctance to travel to the United Kingdom whilst disease is prevalent. Recruitment of domestic students proved more difficult after the cancellation of national examinations, the awarding of assessed grades generally higher than in previous years and the subsequent increased intake by English universities. Operationally, the company faced challenges providing both online and face to face tuition according to the level of disease and constraints and instructions from the government, such as lockdowns and social distancing. The company maintained normal teaching operations throughout the period.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators of the company have been identified as turnover, operating profit and operating margin.

	Year ended 31 December 2021	Year ended 31 December 2020	% increase/ (decrease)
Turnover	21,663	25,815	(16.1)%
Operating profit	3,904	8,429	(53.7)%
Operating margin	18.0%	32.6%	(44.8)%

Turnover reduced principally from reduced student numbers in the academic year 2020/2021 (beginning September 2020) affecting the first six months, with a further small fall in September 2021.

OTHER KEY PERFORMANCE INDICATORS

Non-financial key performance indicators for MPW also include measures such as student numbers and examination performance. College snapshot rolls at the time of the Department for Education January census were 805 in 2022 (824 in 2021), remaining depressed by the effects of the pandemic referred to above. Examination results were once again excellent for a group of academically non-selective colleges with over a third of all our A level examinations taken graded at A*/A, in line with previous years. More than half of all students leaving at the end of the academic year proceeded on to places at Russell Group universities.

This report was approved by the board on 14 July 2022 and signed on its behalf.

M McInroy
Director

The directors present their report and the financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,989k (2020: £6,986k).The net assets in the business totaled £6,440k at 31 December 2021 (2020: £11,017k).

An interim dividend of £7,566k was paid during the year. (2020: £20,000k). The directors do not recommend a payment of a final dividend.

FINANCIAL RISK MANAGEMENT

MPW has financial risk management procedures, administered through the finance department under the direction of the Directors. The main financial risks and mitigations of those risks are as follows:

- Credit risk - MPW does not consider itself exposed to material credit risk due to the diverse nature of its customers. MPW has effective credit management procedures administered by a credit control team.
- Foreign currency risk - MPW is exposed to transactional foreign exchange risk. MPW mitigates this risk by pricing and requiring payment solely in the United Kingdom sterling. The risk attached to liabilities incurred in foreign currencies is small and managed through appropriate treasury procedures.
- Liquidity risk - Liquidity risk is low because MPW generates substancial cash balances on its own account with appropriate procedures to manage these balances in conjunction with its parent and subsidiary companies. There is no commercial borrowing.
- Interest rate risk - MPW does not consider itself exposed to material interest rate risk.
- Price risk - MPW is not materially exposed to price risk because activity is spread over a wide range of suppliers and customers.

DIRECTORS

The directors who served during the year and up to the date of approval of these financial statements were:

S H Coles
D Jones
M A McInroy
A V A Thick

EMPLOYEE ENGAGEMENT

MPW remains committed to providing a positive and motivating work culture for all employees. The company has a well established structure for communicating and listening to its employees through a variety of channels, including internal publications, briefings, group-wide emails, the company intranet, employee meetings and engagements surverys.

The group systematically provides its employees with information on matters of concern to them, such as trading updates and business strategy, as well as consulting with its employees and inviting their views on matters that are likely to affect their interests. The directors have visibility of and fully suppor the group's employee engagement stategy.

POLITICAL CONTRIBUTIONS

During this year, no political donations were made (2020: none).

FUTURE DEVELOPMENTS

Student numbers were similar to the prior year and the directors remain confident of continued long-term growth despite the changes in examination and student visa policies that have been brought into effect by the government in recent years. Details of the results for the year are included in the Directors' Report.

The pandemic has affected the number of students who attend the company's colleges and those who attend revision courses from other institutions, depressing revenue and profitability in 2020 and 2021. The directors have prepared forecasts covering various eventualities and remain confident that the company will continue to be a profitable enterprise under all likely scenarios.

A return to the pre-pandemic levels is expected from September 2022, the beginning of the next academic year.

GOING CONCERN

The company's business activities and aims are set out within this report. The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. It has also received Letters of Support from a parent company, Graham Holdings Company (the ultimate parent company) guaranteeing payment of any intercompany debts due to the company and assistance in meeting liabilities if the company cannot do so from its own resources for a minimum period of 12 months from the date of signing of the financial statements. After making enquiries, including from other members of the wider group of companies of which the company is a member, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adpot the going concern basis in preparing the company financial statements.

ENGAGEMENT WITH EMPLOYEES

MPW remains committed to providing a positive and motivating work culture for all employees. The company has a well-established structure for communicating and listening to its employees through a variety of channels, including internal publications, briefings, group-wide emails, the company intranet, employee meetings and engagement surveys.

The group systematically provides its employees with information on matters of concern to them, such as trading updates and business strategy, as well as consulting with its employees and inviting their views on matters that are likely to affect their interests. The directors have visibility of and fully support the group's employee engagement strategy.

DISABLED EMPLOYEES

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Arrangements are made, wherever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

MPW has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remian in forace at the date of this report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

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

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

M. A. McInroy

M McInroy
Director

Date: 14 July 2022

90-92 Queen's Gate
London
SW7 5AB

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANDER PORTMAN WOODWARD LIMITED

OPINION

We have audited the financial statements of Mander Portman Woodward Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANDER PORTMAN WOODWARD LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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

Bishop Fleming LLP

Craig Sullivan FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

14 July 2022

MANDER PORTMAN WOODWARD LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Turnover	4	**21,663**	25,815
Cost of sales		**(13,251)**	(13,779)
GROSS PROFIT		**8,412**	12,036
Administrative expenses		**(4,548)**	(3,920)
Other operating income		**40**	313
OPERATING PROFIT	5	**3,904**	8,429
Interest receivable and similar income		**112**	257
Interest payable and similar expenses	9	**(212)**	(30)
PROFIT BEFORE TAX		**3,804**	8,656
Tax on profit	10	**(815)**	(1,670)
PROFIT FOR THE FINANCIAL YEAR		**2,989**	6,986

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

The notes on pages 14 to 28 form part of these financial statements..

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £000		2020 £000
FIXED ASSETS					
Tangible assets	12		**49,415**		850
Investments	13		**101**		101
			49,516		951
CURRENT ASSETS					
Debtors: amounts falling due within one year	14	**5,230**		27,792	
Cash at bank and in hand	15	**9**		46	
		5,239		27,838	
Creditors: amounts falling due within one year	16	**(47,510)**		(17,075)	
NET CURRENT (LIABILITIES)/ASSETS			**(42,271)**		10,763
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,245**		11,714
Creditors: amounts falling due after more than one year	17		**(134)**		(166)
PROVISIONS FOR LIABILITIES					
Deferred tax	18	**(107)**		-	
Other provisions	19	**(564)**		(531)	
			(671)		(531)
NET ASSETS			**6,440**		11,017
CAPITAL AND RESERVES					
Called up share capital	20		**15**		15
Profit and loss account			**6,425**		11,002
			6,440		11,017

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

M McInroy
Director

Date: 14 July 2022

The notes on pages 14 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	15	11,002	11,017
Profit for the financial year	-	2,989	2,989
Dividends paid	-	(7,566)	(7,566)
AT 31 DECEMBER 2021	15	6,425	6,440

The notes on pages 14 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	15	24,016	24,031
Profit for the financial year	-	6,986	6,986
Dividends paid	-	(20,000)	(20,000)
AT 31 DECEMBER 2020	15	11,002	11,017

The notes on pages 14 to 28 form part of these financial statements.

1. GENERAL INFORMATION

Mander Portman Woodward Limited (the "Company") is a private company limited by shares, registered and incorporated in the United Kingdom and registered in England. The company's registered office is 90-92 Queen's Gate, London, SW7 5AB. The activity of the company is the provision of secondary education through its three colleges.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 GOING CONCERN

In determining the appropriate basis of preparation of the Financial Statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. It has also received letters of support from a parent company, Graham Holdings Company (ultimate parent company), guaranteeing payment of any intercompany debts due to the company and assistance in meeting liabilities if the company cannot do so from its own resources for a minimum period of 12 months from the date of signing of the Financial Statements. After making enquiries, including from other members of the wider group of companies of which the Company is a member, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company Financial Statements.

2.3 EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. A qualifying is defined as a member of a group that prepares publicly available Financial Statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Graham Holdings Company, the Company's ultimate parent, which are publicly available.

The Company has taken advantage of the following exemptions in its individual financial statements:
(i) from the requirement to prepare a Statement of Cash Flows as required by paragraph 3.17(d) of FRS 102;
(ii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and the end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
(iii) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
(iv) Non-disclosure of transactions or balances with entities that are part of the group or investments of the group qualifying as related parties where 100% of the Company's voting rights are controlled within the group. This is a requirement under FRS 102.33.1A.

2. ACCOUNTING POLICIES (continued)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.5 TURNOVER

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents the amount charged for accommodation and other services provided. Turnover associated with all transactions is recognised when the outcome of each transaction can be estimated reliably. Such outcome can be estimated reliably when the following conditions are satisfied: the revenue can be measured reliably, the economic benefits will flow to the company and the costs to the company can be measured reliably.

Turnover in the form of fees for accommodation and other services, in relation to accommodation provided to students during the year, is recognised evenly over the period for which accommodation is supplied. At the Statement of Financial Position date, the company has fully invoiced all services rendered during the year. Deferred revenue represents amounts invoiced for which the accommodation will be provided in future periods.

2.6 INTEREST INCOME

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

2.7 FINANCE COSTS

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

2. ACCOUNTING POLICIES (continued)

2.8 EMPLOYEE BENEFITS

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i) Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognized as an expense in the year in which the services is received.

ii) Defined contribution pension plans
The company operated a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations. The contributions are recognized as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

iii) Annual bonus plan
The company operates an annual bonus plan for certain employees. An expense is recognized in the Statement of Comprehensive Income when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.9 CURRENT AND DEFERRED TAXATION

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

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

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

2. ACCOUNTING POLICIES (continued)

2.10 DILAPIDATION PROVISION

Provision for dilapidations represent the expected costs that will be incurred on the expiry of the lease terms and a corresponding asset is recognised which is amortised over the duration of the lease. Dilapidations costs are provided at the present value of the expenditure expected to settle the obligation. Estimated future costs of dilapidation are reviewed regularly and adjusted as appropriate for new circumstances. Changes in estimates are capitalised or reversed against the leasehold costs. Estimates are discounted at a pre-tax rate that reflects current market assessment of the time value of money.

2.11 CONSOLIDATION

The Financial Statements present information about the company as an individual undertaking and not about it as a group. The Company is exempt from the requirement to prepare group Financial Statements by virtue of Section 400 of the Companies Act 2006. The results of the company, together with its subsidiary companies are included in the consolidated statements of Graham Holdings Company, the ultimate parent company.

2.12 TANGIBLE FIXED ASSETS

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

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

The estimated useful lives range as follows:

Freehold buildings	- over the life of the lease
Fixtures and fittings	- over five to ten years
Office equipment	- over three to five years

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

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

2.13 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 DEBTORS

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

2. ACCOUNTING POLICIES (continued)

2.15 CASH AND CASH EQUIVALENTS

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

2.16 CREDITORS

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

2.17 LEASES

At inception, the Company assesses agreements that transfer the right to use assets. The assessment considered whether the arrangement is, or contains, a lease based on the substance of the arrangement.

i) Finance leased assets
Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

ii) Operating leased assets
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

iii) Lease incentives
Incentives received to enter into a finance lease reduce the fair value of the asset are included in the calculation of the present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the Statement of Comprehensive Income to reduce the lease expense on a straight-line basis over the period of the lease.

2. ACCOUNTING POLICIES (continued)

2.18 FINANCIAL INSTRUMENTS

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

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

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

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

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

2.19 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.20 IMPAIRMENT OF NON-FINANCIAL ASSETS

At each Statement of Financial Position date, non-financial assets not carried at fair value are assessed to determine where there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to it recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter, any excess is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

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

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

4. TURNOVER

Turnover is attributable to the principal activity of the company, the operation of independent fifth and sixth form colleges. All turnover arose within the UK.

	2021 £000	2020 £000
Tuition fees	**21,663**	25,815
	21,663	25,815

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £000	2020 £000
Depreciation of tangible fixed assets (note 12)	**516**	418
Foreign exchange losses/(gains)	**(5)**	21
Operating lease rentals	**1,453**	1,544
Bad debts written off or provided for	**(1)**	158
Fees payable to the Company's auditors in respect of the audit of the Company's Financial Statements	**34**	35
Fees payable to the Company's auditors in respect of the audit of the subsidiary's Financial Statements	**16**	16
Fees payable to the Company's auditors in respect of the preparation of other services	**7**	-

6. EMPLOYEES

Staff costs were as follows:

	2021 £000	2020 £000
Wages and salaries	**8,516**	9,017
Social security costs	**897**	944
Other pension costs	**232**	242
	9,645	10,203

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

	2021 No.	2020 No.
Teaching staff	**170**	199
Administration and support	**96**	104
	266	303

7. DIRECTORS' REMUNERATION

During the year, retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes. The higher paid director received remuneration of £233k (2020: £276k). 2 directors (2020: 2) received no remuneration for their services to the Company (2020: £Nil) and were remunerated one by Aspect Education Limited and one by Kaplan International Colleges U.K. Limited, both group companies. Details of their remuneration can be found in the above companies' Financial Statements. It is not possible to make an appropriate apportionment for the element of remuneration which relates to the Company.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest on bank account balances	**-**	3
Interest on group undertaking balances	**112**	254
	112	257

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £000	2020 £000
Unwinding of discount on dilapidations provision	33	30
Interest payable to group undertakings	179	-
	212	30

10. TAXATION

	2021 £000	2020 £000
CORPORATION TAX		
Current tax on profits for the year	-	1,655
Adjustments in respect of previous periods	(2)	41
	(2)	1,696
Group taxation relief	477	-
	475	1,696
TOTAL CURRENT TAX	475	1,696
DEFERRED TAX		
Origination and reversal of timing differences	411	(23)
Adjustments in respect of prior periods	2	(3)
Effect of tax rate change on opening balance	(73)	-
TOTAL DEFERRED TAX	340	(26)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	815	1,670

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2021 £000	2020 £000
Profit on ordinary activities before tax	**3,804**	8,656
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020:19%)	**723**	1,645
EFFECTS OF:		
Expenses not deductible for tax purposes	**38**	1
Other permanent differences	**(1)**	(1)
Other permanent differences	**29**	11
Adjustments in respect of prior periods - corporation tax	**(2)**	41
Adjustments in respect of prior periods - deferred taxation	**2**	(3)
Impact of tax rate changes	**26**	(25)
Other adjustments	**470**	1,655
Group relief	**(470)**	(1,654)
TOTAL TAX CHARGE FOR THE YEAR	**815**	1,670

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

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

11. DIVIDENDS

The Company declared an interim dividend of £7,566k (2020: £20,000k). The directors do not recommend the payment of a final dividend (2020: £Nil).

12. TANGIBLE FIXED ASSETS

	Freehold land & buildings £000	Short-term leasehold property £000	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
COST						
At 1 January 2021	-	1,779	726	850	1,109	4,464
Additions	48,983	-	-	-	98	49,081
Disposals	-	-	(29)	(187)	(99)	(315)
At 31 December 2021	48,983	1,779	697	663	1,108	53,230
DEPRECIATION						
At 1 January 2021	-	1,346	621	845	802	3,614
Charge for the financial year	153	101	54	3	205	516
Disposals	-	-	(29)	(187)	(99)	(315)
At 31 December 2021	153	1,447	646	661	908	3,815
NET BOOK VALUE						
At 31 December 2021	48,830	332	51	2	200	49,415
At 31 December 2020	-	433	105	6	306	850

13. INVESTMENTS

	Investments in subsidiary companies £000
COST OR VALUATION	
At 1 January 2021	101
At 31 December 2021	101

13. INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Kensington Student Services Limited	United Kingdom	Student Accommodation	Ordinary	100%
Justin Craig Education Limited	United Kingdom	Secondary Education	Ordinary	100%

The registered office of Kensington Student Services Limited is Palace House, 3 Cathedral Street, London, SE1 9DE. The registered office of Justin Craig Education Limited is Tyttenhanger House, Coursers Road, St Albans, AL4 0PG.

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Profit/(Loss) £000
Kensington Student Services Limited	**(171)**
Justin Craig Education Limited	**(279)**

14. DEBTORS

	2021 £000	2020 £000
Trade debtors	**4,045**	4,232
Amounts owed by group undertakings	**370**	22,537
Other debtors	**22**	14
Prepayments and accrued income	**793**	776
Deferred taxation	**-**	233
	5,230	27,792

Trade debtors are stated after provision for impairment of £367k (2020: £444k). Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand except for one loan to Kaplan UK Limited of £Nil (2020: £6,719k) and three loans to Kaplan, Inc. totaling £Nil (2020: £8,500k) which all bear interest of 12 month LIBOR plus 2%.

15. CASH AND CASH EQUIVALENTS

	2021 £000	2020 £000
Cash at bank and in hand	**9**	46
Less: bank overdrafts	**(15)**	-
	(6)	46

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Bank overdrafts	**15**	-
Refundable deposits received from students	**3,651**	3,633
Trade creditors	**912**	915
Amounts owed to group undertakings	**33,619**	2,259
Corporation tax	**470**	1,654
Other taxation and social security	**543**	537
Other creditors	**44**	44
Accruals and deferred income	**8,256**	8,033
	47,510	17,075

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £000	2020 £000
Other creditors	**134**	166
	134	166

18. DEFERRED TAXATION

	2021 £000
At beginning of year	**233**
Charged to profit or loss	**(340)**
AT END OF YEAR	**(107)**

The deferred taxation balance is made up as follows:

	2021 £000	2020 £000
Fixed asset timing differences	**(256)**	126
Short term timing differences	**149**	107
	(107)	233

19. PROVISIONS FOR LIABILITIES

	Provisions for dilapidations costs £000
At 1 January 2021	**531**
Charged to profit or loss	**33**
AT 31 DECEMBER 2021	**564**

20. SHARE CAPITAL

	2021 £000	2020 £000
ALLOTTED, CALLED UP AND FULLY PAID		
15,000 (2020:15,000) Ordinary shares shares of £1.00 each	**15**	15

There is a single class of ordinary shares. There are not restrictions on the distribution of dividends and the repayment of capital.

21. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are help separately from those of the Company in independently administered funds.

The charge to the Statement of Comprehensive Income in respect of defined contribution schemes was £232k (2020: £242k).

22. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	**1,504**	1,453
Later than 1 year and not later than 5 years	**5,828**	6,169
Later than 5 years	**4,240**	5,572
	11,572	13,194

23. RELATED PARTY TRANSACTIONS

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

At the balance sheet date, the Company was owed £370k (2020: £22,537k) from and owed £33,619k (2020: £2,259k) to fellow group undertakings.

24. CONTROLLING PARTY

The immediate controlling party is Mander Portman Woodward Limited.

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