



# INTO University Partnerships Limited

Annual report for the year ended 31 July 2023

Registered number: 05507863



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## Directors and advisers

### Directors

A J Colin  
J B Sykes  
S G Smale  
J T Leeds  
D S Eastwood  
C J Mairs  
N M Adlam  
T Todd  
A Gigante

### Registered office

One Gloucester Place  
Brighton  
United Kingdom  
BN1 4AA

### Independent auditor

Grant Thornton UK LLP  
Chartered Accountants  
2nd Floor  
St Johns House  
Haslett Avenue West  
Crawley  
West Sussex  
RH10 1HS

# Strategic report for the year ended 31 July 2023

The directors present their strategic report on the group for the year ended 31 July 2023.

## Review of the business

The principal activity of the group is the provision of educational, recruitment and marketing services for international students through subsidiary undertakings and in partnership via joint ventures with universities.

The subsidiary and associated undertakings of the group are listed in Note 22 to the financial statements.

The principal activity of the company in the year under review was that of the provision of marketing, management and other corporate services including to the company's joint ventures and direct recruitment of students on behalf of partners and affiliates.

## Business strategy

INTO's mission is to transform international students' academic and career success through exceptional university partnerships. The unified strategy to deliver this mission covers 3 core pillars and is supported by the INTO culture of growing together:

- **Exceptional university partnerships including student academic and career success.** INTO partner with universities across US, UK, Europe and Australia to support their internationalisation strategies, including: delivering pathway programmes, advising on university courses & programmes, implementing sales & activation in student markets, and performing enrolment services. The on-campus teams teach and support our international students, driving higher progression rates to university, retention to degree, and ultimately, better employability prospects.
- **Differentiation in market.** INTO ensure universities' propositions are differentiated in increasingly competitive markets, and leverage our unique recruitment network and university access centre (UAC) infrastructure to create diverse demand.
- **Enrolment excellence.** INTO ensure a transparent and reliable application and arrival process for students, agents, and university partners.

## Results and performance

The results of the group for the year, as set out on pages 21 to 26, show that overall performance for FY23, whilst continuing to be impacted by the COVID-19 pandemic, are recovering as more locations reduce restrictions on international student mobility and volumes and revenue therefore increases. The results show turnover up 16% to £ 111,637k (2022: £96,131k). Management monitor and review the business on a constant foreign exchange basis including the group's share of joint venture performance. On this basis adjusted turnover is up 13% to £159,586k (2022: £140,797k). The group and share of joint ventures operating loss improved £4,327k to a loss of £7,750k (2022: loss of £12,077).

Net earnings before interest, tax, depreciation and amortization (EBITDA), measured at current year foreign exchange rate, is a profit of £1,282k, an improvement of £5,320k on the prior year (2022 loss of £4,038k). The shareholders' deficit for the group totals £7,012k (2022: surplus of £3,731k).

The group has a £30m revolving credit facility to help to provide flexibility as required during the period. At 31 July 2023 £20.2m of the facility was drawn. This has enabled investments in new operations in Australia, a number of new university access centres globally and continued investment in systems and people.

The year end cash balance was £14,143k (2022: £9,437k). While the group generated positive EBITDA there has been a reduction in group cash position as investments in capital expenditure and new business areas have continued to be protected. The group has covenants agreed with its bankers to February 2025 showing the forecast recovery and continues to track in line with these requirements. The group is expecting to continue to use the facility in FY24 for working capital purposes.

Strategically, INTO signed a new UK partnership with Lancaster University to operate a new on-campus Pathway programme and signed new US partnerships with University of Massachusetts Amherst, Montclair State University and the University of Oklahoma for direct entry recruitment. INTO also opened new university access centers in Dubai and Almaty, launched the INTO digital student community platform, and continued to develop the digital experience for the application process.

### Key performance indicators (“KPIs”)

The Board monitors progress against the company’s strategy by reference to the following KPIs:

	2023 £'000	2022 £'000
Adjusted turnover *	159,586	140,797
Net EBITDA**	1,282	(4,038)
Adjusted EBITDA***	8,136	3,441
Underlying group and share of joint ventures operating loss	(4,817)	(11,883)
Student satisfaction	90%	93%
Cash	14,143	9,437

\* Adjusted turnover is calculated as statutory turnover plus the group’s share of joint venture turnover. This helps INTO to ensure it is measuring the value we deliver to our Partners. Turnover is adjusted to remove discontinued operations and the prior year is presented at current year foreign exchange rates.

\*\* Net EBITDA is a metric used by management to assess the underlying performance of the business. This metric adjusts for non-coterminous year ends and other timing movements and is measured at current year foreign exchange and includes group and share of joint ventures.

\*\*\* Adjusted EBITDA. In addition to the adjustments above, this metric also adjusts for losses incurred for both new partnerships and products, one off items and board costs, which can distort profitability. This metric is also measured at current year foreign exchange and includes group and share of joint ventures.

	2023 £'000	2022 £'000
Turnover	111,637	96,131
Share of joint venture turnover	47,951	42,226
Adjust prior year at current year foreign exchange rates	-	2,455
Adjust for discontinued operations	(2)	(15)
Adjusted turnover (at constant foreign exchange rates)	159,586	140,797

	2023 £'000	2022 £'000
Group and share of joint ventures operating loss	(7,750)	(12,077)
Add: group and share of joint ventures administrative exceptional charge	2,933	194
Add: depreciation and amortisation	4,730	5,055
Add: share of joint ventures’ depreciation and amortisation	1,416	1,262
Adjustment for non-coterminous year end and other timing movements	(47)	1,268
Adjustment to current year foreign exchange rates	-	260
Net EBITDA (at constant foreign exchange rates)	1,282	(4,038)
Board and one off costs	2,093	1,150
New partnership and product start-up losses	4,761	6,329
Adjusted EBITDA (at constant foreign exchange rates)	8,136	3,441

## Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the group and the group finance department take on an important oversight role in this regard. See the statement on governance and internal control for more details on the risk management process.

The directors consider the following to be principal risks and uncertainties facing the company:

- global pandemic and the consequent impact on the ability of international students to travel;
- global economic recession, inflationary pressures and interest rates;
- changes to government regulations, particularly those affecting student visas; and
- natural disasters, acts of terrorism and the consequent impact on the ability of international students to travel.

The Board actively monitors these risks on an on-going basis. The impact of the global pandemic and the mitigation and actions taken have been discussed elsewhere in this report. The Board believe that high quality student education remains a priority for parents during recession and therefore work to develop the product portfolio to ensure that INTO remains an educator of choice in the event of any downturn. New initiatives are constantly being developed to attract and retain high quality students and the courses the group offers are reviewed to ensure that they remain relevant and competitive. Inflationary pressures are being monitored and actions taken where possible to manage these. Staff cost inflation is being seen in many markets as in other industries and the Board review these as part of the wider financial forecasting process.

Government regulations in both the countries that INTO recruit students from and the countries students' study in, are monitored and the impacts of any changes assessed and understood. As the group has a portfolio of countries in both its recruitment markets and education markets the impact of any one change on the business is lessened. The Board have continued to pursue a strategy of diversifying in both markets to ensure this continues to be the case.

Any items which impact students' willingness or ability to travel internationally, be those natural disasters, terrorism or the general openness of a country for international students impact the group. The directors keep abreast of these risks through market awareness, building robust working relationships with partners and developing a strong senior management team and react to these market forces as deemed appropriate in each location.

## Outlook

INTO anticipate the continuing recovery of financial performance in the year ending 31 July 2024 and have seen significant growth in new student enrolments in the Aug-Nov 23 intake. The group have prepared a forecast based on student volumes continuing to recover and have worked with our partners and staff to respond to this. Careful monitoring of delivery of the strategic plan will continue into FY24 and should enable INTO to continue to invest in new products, recruitment, and technology to help ensure the future business will continue to thrive.

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

The directors consider, both individually and collectively, that they have acted in the way they consider in good faith would promote the success of the group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 July 2023 and in creating the future business plans (the "business plans"):

- INTO University Partnerships' business plans are designed to have a long-term beneficial impact on the group and to contribute to its success by providing high quality international education to our students and allowing our partners to meet their internationalisation aims.
- Our employees are fundamental to the delivery of the business plans, and we aim to be a responsible and attractive employer in our approach to pay and the benefits our employees receive, an inclusive and enabling culture within the company and the opportunities they have to develop their careers.
- INTO University Partnerships' business plans rely on developing long-term relationships with suppliers and customers, enabling the group to gain a detailed understanding of their requirements and priorities. We aim to act responsibly and fairly in how we engage with all stakeholders and a focus on 'partnership' is ingrained in our business operations and processes. The COVID-19 pandemic has meant changes to some of our partnership models but due to the relationships INTO have built with our university partners the group have been able to flexibly change the model to respond to the changing requirements of our partners.
- INTO University Partnerships considers the impact of the group's operations on the community and the environment. All employees can take up to 2 paid days per year to volunteer at a non-profit organisation of their choice in order to contribute to either their local community or a cause that is important to them.
- As directors our intention is to behave responsibly and ensure that management operate the business with high standards of conduct and governance, and regulatory compliance in order to ensure that our shareholders benefit from the delivery of the INTO group's business plans.



## Statement of Corporate Governance and Internal Control

### Governance

INTO University Partnerships ("INTO") is a registered higher education provider and is recorded on the Office for Students ("OfS") register of providers. INTO was registered in September 2020 and therefore applies the accounts direction published by the OfS in these accounts (see Note 5 for further disclosure in this respect). This statement of corporate governance sets out how INTO ensures:

- a. transparency about its corporate governance arrangements; and
- b. the adequacy and effectiveness of arrangements for corporate governance, risk management and the oversight of any statutory and other regulatory responsibilities, including compliance with INTO's ongoing conditions of registration.

INTO is a private limited company and as such it is governed by its Board of Directors (the "Board"). For OfS purposes the Board is also the Governing Body. The Board has an established governance framework which details its primary responsibilities. This framework has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements. The framework exists:

- To ensure that the company's strategic direction remains both appropriate and achievable;
- To monitor organisational performance and evaluate the achievement of the strategic and business plans and annual budget outcomes;
- To ensure the company has appropriate corporate governance structures in place including standards of ethical behaviour and promote an agreed culture of environmental, social and governance responsibilities.
- To establish the policy framework for governing the company from which all operational policies and actions are developed;
- To assess risks facing the company, establish a risk management plan and monitor compliance;
- To monitor and ensure that the company is complying with the ongoing conditions of registration and any other regulatory requirements, as applicable to the company, established from time to time by the OfS;
- To ensure that the company's Articles of Association and Governance Framework uphold all public interest governance principles (the "Principles") as may be relevant to the company (as prescribed by the OfS from time to time);
- To establish processes to monitor and evaluate the performance and effectiveness of the Board itself;
- In the event the company is in receipt of public funds, ensure there are adequate and effective arrangements in place such that those public funds are managed appropriately, in line with the conditions of grant and the principles of regularity, propriety and value for money and to protect the interests of taxpayers and other stakeholders. INTO is not currently in receipt of any public funds;
- To ensure any applicable obligations imposed by section 149(1) of the Equality Act 2010 (the "Act") on public authorities are complied with (the "Public Sector Equality Duty"), recognising the need to have due regard to:
  - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- To take such steps as are reasonably practicable to ensure that freedom of speech within the law is secured across the company; and
- To ensure that staff while engaged in teaching have freedom within the law to question and test received wisdom and to put forward new ideas and controversial or unpopular opinions without placing themselves in jeopardy of losing their jobs or privileges they may have within the company.

The Board consists of Executive Directors, Non-Executive Chairman, Non-Executive Directors, shareholder and investor-appointed Directors. The Board has established an Executive Team and separate Audit, Remuneration and Nominations committees with formally delegated duties to ensure INTO's corporate governance arrangements are transparent with clear reporting lines of responsibility. Each of the committees meets at regular intervals to discharge their responsibilities under the delegated duties and terms of reference of the committee. The terms of reference of each committee are reviewed annually and formally signed off by the Board. The Remuneration Committee is responsible for reviewing the applicability of the Higher Education senior staff remuneration code published by the Committee of University Chairs and recommending resulting actions.

In the context of governance, the Audit Committee has a particularly important function in expressing opinions and giving assurances to the Board relating to its review of the effectiveness of the arrangements for risk management, control and governance. The risk management element of this role includes the review of the processes which lead to the statement on internal control in the financial statements.

In accordance with best practice, in the last year the Board undertook an externally conducted review of Board effectiveness. The report was presented to the Board in March 2023 and shared with the OfS. Its recommendations are being implemented.

#### **Internal control**

The Board and the committees have responsibility for maintaining a sound system of internal control that supports the achievement of the group's policies, aims and objectives whilst safeguarding the funds and assets for which it is responsible. The system of internal control is designed to manage rather than eliminate the risk of non-achievement of policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness and is designed to cover business, operational and compliance risks, not just financial. This process has been in place for the year ended 31 July 2023 and up to the date of approval of the Financial Statements. INTO considers the internal control mechanisms it has in place as the most appropriate way of managing the risks posed to the INTO group.

The Board receives the minutes of the Audit Committee and periodic reports from the Chair of the Audit Committee concerning internal control.

The review of the effectiveness of the system of internal control is also informed by the work of the Executive Team, who have responsibility for the development, maintenance, and continual review of the internal control framework. The group does not have an internal audit function but does have a nominated senior leader who ensures risk reviews are completed for business, operational and compliance risk. These risks are scored for likelihood, impact and velocity for each area of the business and are presented to the Board on a quarterly basis with mitigation plans as appropriate.

The group has established anti-bribery and fraud policies which are reviewed periodically. The main emphasis of the fraud policy is on fraud prevention, achieved through risk assessment, process design informed by awareness of fraud risk, and by keeping staff alert to risks. The Audit Committee has a standing agenda item relating to regulatory and/or compliance issues so they can be highlighted and raised as appropriate. There is regular reporting of fraud and irregularities at the Audit Committee. During the year mandatory anti-bribery and fraud training was implemented for INTO group employees.

The Audit Committee also receives and evaluates any recommendations from the external auditors in relation to controls. The external auditors have not identified any significant deficiencies in internal control during the course of their audit work for the year ended 31 July 2023.

The Board recognises it is ultimately responsible for ensuring a sound system of internal controls is maintained and has appropriate measures in place to ensure such controls are continually reviewed for ongoing effectiveness.

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

*Sir David Eastwood*

14/12/2023

Sir David Eastwood, Non Executive Chairman

Date



14/12/2023

John Sykes, CEO

Date

## Directors' report for the year ended 31 July 2023

The directors present their annual report together with the audited consolidated financial statements of the group and company for the year ended 31 July 2023.

### Matters covered in the strategic report

In accordance with Section 414 of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the group has chosen to include a Strategic Report. The information in this report concerns the business review, principal risks and uncertainties and future developments.

### Results and dividends

The loss for the financial year amounted to £13,723k (2022: loss of £8,185k). The directors did not pay a dividend in the year (2022: £nil).

### Financial risk management

The group is exposed to foreign exchange risk through the ownership of subsidiaries and joint venture operations in North America and Asia and the income generated in these regions. The group earns significant US Dollar income which as the GBP to USD exchange rate falls becomes more valuable and vice versa. Due to the COVID-19 disruption in volumes and revenues the group have not forward hedged this income, but this is reviewed by the board on an ongoing basis.

The group has a £30m revolving credit facility with its bankers. The financial commitments in relation to this facility are as disclosed in Note 15.

The Board do not consider the group to be subject to significant cash flow or liquidity risk and, aside from the facilities above, does not actively use any complex financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

### Directors

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

A J Colin  
D S Eastwood  
J T Leeds  
C J Mairs  
S G Smale  
J B Sykes  
O Streatfeild (resigned 31 March 2023)  
N M Adlam (appointed 1 January 2023)  
T Todd (appointed 1 November 2022)  
A Gigante (appointed 1 November 2022)

### Company registration number

The company registration number is 05507863. The company is a limited company incorporated in the United Kingdom. The company's registered office is detailed on page 3.

### Going concern

The financial statements have been prepared on the going concern basis, which assumes that the group will continue to be able to meet its liabilities as they fall due for the relevant going concern period, which runs to February 2025.

The COVID 19 crisis impacted the international education sector and more generally student mobility. Management have taken steps to maintain the financial resilience of the group in the short and long term through diligent liquidity planning including renegotiating the credit facilities with its bankers. In addition, risks relating to inflation and other external factors have been considered as disclosed in the "principal risks and uncertainties" section on page 7.

As a result, this uncertainty has been considered as part of the groups assessment of the going concern basis in the preparation of the financial statements. In preparing this analysis the board have considered the group's ability to meet its liabilities based on various levels of reductions in student numbers, as well as a number of cost mitigation strategies that can and have been employed.

The group holds a £30m facility with HSBC Bank plc which has been extended to February 2025. The covenants for the extension period to February 2025 move the facility to a quarterly test of interest cover and leverage from April 2024 reflecting the group's positive performance and outlook. Management will renegotiate this facility beyond this period at an appropriate time. Management expect to use this facility in FY24 to continue to invest in future growth strategies and fund new centres in their start up phase. Management continues to monitor compliance with the covenants required under the agreement. As at 31 July 2023 £20.2m was drawn under this facility.

The Board have considered what level of reduction in student volumes and corresponding mitigation would break a facility covenant and do not consider this reverse stress test scenario a likely occurrence. Based on these circumstances, the Board believe that it remains appropriate to prepare the financial statements on the going concern basis.

After considering the cash flow projections for the period to February 2025, the directors believe the group has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

### **Charitable donations**

INTO University Partnerships allocates a proportion of its profits to fund the operating costs of INTO Giving, a charity supporting educational projects for poor and disadvantaged children around the world. During the year this amounted to £115,790 (2022: £104,790).

### **Environmental, social and community issues**

The company is committed to the promotion of environmental initiatives and minimising the environmental impact of its businesses. Through focusing on creating an efficient and sustainable business the company is taking steps to reduce its on-going carbon footprint.

The INTO group is driven by the desire to provide life-changing experiences for our students. Moreover, the investment and additional revenue generated are helping to revitalise our partner universities and the local and regional economy that surrounds them. The INTO group also works closely with INTO Giving, a charity that supports educational and humanitarian projects for some of the world's poorest and most disadvantaged children. The group supports INTO Giving through fundraising activities, and through staff volunteering their time and skills.

In 2022/23, INTO Giving donated £115,790 in support of educational and humanitarian projects in Pakistan, Lebanon, Vietnam, Tanzania, India, Indonesia and Zambia and operated an internship programme for international students. Over the past year, funds raised by INTO employees and students have, for example, supported schools with running costs, libraries, furniture, safeguarding and other training.

## Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

The group presents the following details of its carbon usage, covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions, compliant with UK legislation set out in the Streamlined Energy and Carbon Reporting (SECR) 21 January 2021. As allowed by the regulations the summary below represents only the entities which meet the large size criteria for the disclosure.

	2023	2022	
Total energy use covering electricity, gas, other fuels and transport	6,126,134	4,684,480	kWh
Total emissions generated through combustion of gas	276	245	tCO <sub>2</sub> e
Total emissions generated through use of purchased electricity	833	799	tCO <sub>2</sub> e
Total emissions generated through use of heat and steam	390	170	tCO <sub>2</sub> e
Total emissions generated through business travel	19	-	tCO <sub>2</sub> e
Total gross emissions	1,516	1,214	tCO <sub>2</sub> e
Intensity ratio (total gross emissions)	4.39	3.51	kgCO <sub>2</sub> e per sqft

## Energy efficiency actions

The group is committed to responsible energy management and practice energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and understand we have a role to play in reducing greenhouse gas emissions.

The board has implemented the policies below which have increased the business's energy efficiency in the current financial year:

- Moved to increased remote home working and extended this hybrid working offering to non-student facing employees as part of its global flexibility framework;
- A reconsideration and reduction of the overall office space required to meet the hybrid working arrangements of our employees, as well as the introduction of solar panels and more efficient lighting and heating where possible across the properties of the group and its joint ventures.

## Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 21/1/2021) was used in this report in conjunction with Government GHG reporting conversion factors.

## Employees

Consultations with employees or their representatives have continued at all levels, with the aim of ensuring that their views are considered when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic business units and the company as a whole. Communication with all employees continues through multiple media and employee engagement surveys are conducted periodically. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every

effort is made to ensure that their employment with the company continues, and the appropriate training is arranged, if required. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer a disability.

We continue to work hard to ensure a diverse and inclusive workforce is hired, retained, and can thrive at INTO and that we take the opportunity to overcome inequity. We believe that this can only be accomplished with a steady, sustainable, and relentless focus on initiatives that attract diverse talent, create an inclusive culture, and develop and promote a diverse range of colleagues. We have made significant progress in this area, but we are clear there is much work still to do and it will remain a key focus for our executive and management teams.

INTO publishes a gender pay gap report covering the one entity on which INTO are required by law to report, as well as voluntary reporting of other UK entities. The full report can be obtained from the INTO corporate website at <https://www.intoglobal.com>

### **Branches outside the UK**

The following branches exist outside of the UK in addition to the statutory entities listed in Note 22:

- In China the regional offices in Dalian, Shanghai and Beijing are branches of Guangzhou INTO Education Ltd (incorporated in China).
- In China there is also a Beijing branch of DPU (Shanghai) Business Consulting Ltd (incorporated in China).
- Schoolapply AG has a branch based in Dubai.
- University Access Centre Vietnam has a branch based in Hanoi.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report and 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 to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 and the group will continue in business.

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

### **Statement of disclosure of information to auditor**

The directors confirm that:

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

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

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

### Independent auditor

The auditor, Grant Thornton UK LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

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

*Sir David Eastwood*

14/12/2023

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Sir David Eastwood, Non Executive Chairman

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Date

*John Sykes*

14/12/2023

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John Sykes, CEO

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Date



# Independent auditors' report to the members of INTO University Partnerships Limited

## Opinion

We have audited the financial statements of INTO University Partnerships Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets as at 31 July 2023, the Consolidated and Company statements of changes in equity, the Consolidated cash flow statement for the year then ended, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2023 and of the group's loss 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

### **Opinion on other matters prescribed by the Office For Students ("OfS") accounts direction (issued October 2019)**

In our opinion, in all material respects:

- funds from whatever source administered by the parent company for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation; and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

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

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

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

### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine

is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK).
- We communicated relevant laws and regulations and potential fraud risk to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the Group is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance. We corroborated our inquiries through review of board minutes provided by management.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand areas where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team on the areas where fraud might occur included:
  - evaluation of the effectiveness of management's controls designed to prevent and detect irregularities;
  - journal entries testing, with a focus on manual entries, unauthorised user entries and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the Group and parent Company operates; and
  - understanding of the legal and regulatory requirements specific to the Group and the parent Company.

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

### Use of our report

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



14/12/2023

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Adam Terry BSc FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley

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Date

# Consolidated statement of comprehensive income for the year ended 31 July 2023

Registered number: 05507863

	Note	2023 Underlying £'000	2023 Non- underlying exceptional items £'000	2023 £'000	2022 Underlying £'000	2022 Non- underlying exceptional items £'000	2022 £'000
<b>Group turnover<sup>1</sup></b>	1	111,637	-	<b>111,637</b>	96,131	-	96,131
Cost of sales		(42,759)	-	<b>(42,759)</b>	(32,939)	-	(32,939)
<b>Gross profit</b>		68,878	-	<b>68,878</b>	63,192	-	63,192
Administrative expenses	2	(69,535)	(3,543)	<b>(73,078)</b>	(69,579)	(329)	(69,908)
Other income	3	202	-	<b>202</b>	38	-	38
<b>Group operating loss</b>	4	(455)	(3,543)	<b>(3,998)</b>	(6,349)	(329)	(6,678)
Existing operations		(455)	(3,543)	<b>(3,998)</b>	(4,516)	(329)	(4,845)
Acquisitions		-	-		(1,833)	-	(1,833)
Share of operating (loss) / profit in joint ventures	10	(4,362)	610	<b>(3,752)</b>	(5,534)	135	(5,399)
<b>Group and share of joint ventures operating loss</b>		(4,817)	(2,933)	<b>(7,750)</b>	(11,883)	(194)	(12,077)
Net interest and similar (charges) / credits							
Group	6	(4,974)	-	<b>(4,974)</b>	6,635	-	6,635
Share of joint ventures	6	(445)	-	<b>(445)</b>	(692)	-	(692)
<b>Loss on ordinary activities before taxation</b>		(10,236)	(2,933)	<b>(13,169)</b>	(5,940)	(194)	(6,134)
Tax on loss on ordinary activities of subsidiaries	7	(1,270)	716	<b>(554)</b>	(1,927)	(100)	(2,027)
Share of joint ventures taxation	7	-	-		(24)	-	(24)
<b>Loss on ordinary activities after taxation</b>		(11,506)	(2,217)	<b>(13,723)</b>	(7,891)	(294)	(8,185)
<b>Loss for the financial year</b>		(11,506)	(2,217)	<b>(13,723)</b>	(7,891)	(294)	(8,185)
Currency translation difference on foreign currency net investments		3,085	-	<b>3,085</b>	(2,220)	-	(2,220)
<b>Total comprehensive loss for the year</b>		(8,421)	(2,217)	<b>(10,638)</b>	(10,111)	(294)	(10,405)
<b>Attributable to:</b>							
<b>Owners of the parent</b>		(8,746)	(2,217)	<b>(10,963)</b>	(9,404)	(294)	(9,698)
<b>Non-controlling interests</b>		325	-	<b>325</b>	(707)	-	(707)
		(8,421)	(2,217)	<b>(10,638)</b>	(10,111)	(294)	(10,405)

<sup>1</sup> Adjusted turnover which includes statutory turnover and share of joint ventures' turnover was £159,586k (2022: £140,797k).

Please see the Strategic Report on page 6 for details of this.

There is no material difference between the profit on ordinary activities before taxation and the profit for the current and prior financial year stated above and their historical cost equivalents.


The notes on pages 36 to 61 form part of these financial statements.

# Consolidated balance sheet as at 31 July 2023

Registered number: 05507863

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Intangible assets	8	9,981	10,348
Tangible assets	9	7,717	7,801
Investments in joint ventures	10	1,467	1,000
Investments	11	150	150
<b>Total fixed assets</b>		<b>19,315</b>	<b>19,299</b>
<b>Current assets</b>			
Debtors			
- amounts falling due within one year	12	110,470	93,739
- amounts falling due after one year	12	14,506	13,174
		<b>124,976</b>	<b>106,913</b>
Cash at bank and in hand		14,143	9,437
<b>Total current assets</b>		<b>139,119</b>	<b>116,350</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(46,687)</b>	<b>(22,749)</b>
Accruals and deferred income	13	(69,276)	(51,599)
		<b>(115,963)</b>	<b>(74,348)</b>
<b>Provisions for liabilities: Amounts falling due within one year</b>	14	<b>(91)</b>	<b>(3,264)</b>
<b>Net current assets</b>		<b>23,065</b>	<b>38,738</b>
<b>Total assets less current liabilities</b>		<b>42,380</b>	<b>58,037</b>
<b>Creditors: Amounts falling due after more than one year</b>	15	<b>(84)</b>	<b>(100)</b>
<b>Provisions for liabilities: Amounts falling after more than one year</b>	14	<b>(2,746)</b>	<b>(1,375)</b>
<b>Liabilities in respect of joint ventures</b>	10	<b>(46,562)</b>	<b>(52,831)</b>
		<b>(49,392)</b>	<b>(54,306)</b>
<b>Net (liabilities)/assets</b>		<b>(7,012)</b>	<b>3,731</b>
<b>Capital and reserves</b>			
Called up share capital	17	1,229	1,229
Share premium account		2	2
Capital redemption reserve		75	75
Foreign exchange translation reserve		3,139	54
Non-controlling interests		(725)	(1,050)
Profit and loss reserve		(10,732)	3,421
<b>Total shareholders' (deficit)/funds</b>		<b>(7,012)</b>	<b>3,731</b>

The consolidated financial statements on pages 21 to 61, were approved by the Board of Directors and signed on its behalf by:

<i>Sir David Eastwood</i>	14/12/2023		14/12/2023
Sir David Eastwood, Non Executive Chairman	Date	John Sykes, CEO	Date

The notes on pages 36 to 61 form part of these financial statements.

# Company balance sheet as at 31 July 2023

Registered number: 05507863

	Note	2023 £'000	2022 £'000
Investments	11	36,124	36,124
		36,124	36,124
<b>Current assets</b>			
Debtors	12	26,733	11,483
Prepayments and accrued income	12	877	581
		27,610	12,064
Cash at bank and in hand		70	184
		27,680	12,248
<b>Creditors: Amounts falling due within one year</b>	13	(20,506)	(8,467)
<b>Accruals and deferred income</b>	13	(1,831)	(1,575)
		(22,337)	(10,042)
<b>Provisions for liabilities: Amounts falling due within one year</b>	14	(33)	(221)
<b>Net current assets</b>		5,310	1,985
<b>Total assets less current liabilities</b>		41,434	38,109
<b>Net assets</b>		41,434	38,109
<b>Capital and reserves</b>			
Called up share capital	17	1,229	1,229
Share premium account		2	2
Capital redemption reserve		75	74
Profit and loss reserve		40,128	36,804
<b>Total shareholders' funds</b>		41,434	38,109

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company. The result for the financial year ended 31 July 2023 of the parent company was a £3,429k profit (2022: £3,607k profit).

The financial statements on pages 21 to 61 were approved by the Board of Directors and signed on its behalf by:

*Sir David Eastwood*

14/12/2023

Sir David Eastwood, Non Executive Chairman

Date

*John Sykes*

14/12/2023

John Sykes, CEO

Date

The notes on pages 36 to 61 form part of these financial statements.

## Consolidated statement of changes in equity for the year ended 31 July 2023

GROUP	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Non- controlling interests £'000	Profit and loss reserve £'000	Total shareholders' funds £'000
<b>As at 1 August 2021</b>	<b>1,239</b>	<b>2</b>	<b>49</b>	<b>2,274</b>	<b>(343)</b>	<b>10,907</b>	<b>14,128</b>
Loss for the financial year	-	-	-	-	(707)	(7,478)	(8,185)
Movements in relation to the Management Incentive Plan	(10)	-	26	-	-	(8)	8
Translation Reserve	-	-	-	(2,220)	-	-	(2,220)
<b>As at 31 July 2022</b>	<b>1,229</b>	<b>2</b>	<b>75</b>	<b>54</b>	<b>(1,050)</b>	<b>3,421</b>	<b>3,731</b>
Profit/(loss) for the financial year	-	-	-	-	325	(14,048)	(13,723)
Movements in relation to the Management Incentive Plan	-	-	-	-	-	(105)	(105)
Translation Reserve	-	-	-	3,085	-	-	3,085
<b>As at 31 July 2023</b>	<b>1,229</b>	<b>2</b>	<b>75</b>	<b>3,139</b>	<b>(725)</b>	<b>(10,732)</b>	<b>(7,012)</b>

The credit to the capital redemption reserve during the year represents the buy back of shares associated with the management incentive scheme.

The notes on pages 36 to 61 form part of these financial statements



## Company statement of changes in equity for the year ended 31 July 2023

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Profit and loss reserve £'000	Total shareholders' funds £'000
<b>As at 1 August 2021</b>	1,239	2	49	-	33,205	34,495
Profit for the financial year	-	-	-	-	3,607	3,607
Movements in relation to the Management Incentive Plan	(10)	-	25	-	(8)	7
<b>As at 31 July 2022</b>	1,229	2	74	-	36,804	38,109
Profit for the financial year	-	-	-	-	3,429	3,429
Movements in relation to the Management Incentive Plan	-	-	1	-	(105)	(104)
<b>As at 31 July 2023</b>	1,229	2	75	-	40,128	41,434

The credit to the capital redemption reserve during the year represents the buy back of shares associated with the management incentive scheme.

The notes on pages 36 to 61 form part of these financial statements

# Consolidated cash flow statement for the year ended 31 July 2023

Registered number: 05507863

	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>		
Loss for the financial year	(13,723)	(8,185)
Depreciation charge	1,603	1,454
Amortisation of intangibles	3,127	3,329
Impairment of intangibles	-	272
Loss on disposal of tangible assets	-	171
Net interest and similar charges	4,974	(6,635)
Share of loss for the financial year in joint ventures	3,752	5,399
Share of interest payable by joint ventures	445	692
Taxation	554	2,051
Share of profit / (loss) attributable to minority interests	325	(707)
Increase in debtors	(28,685)	(6,192)
Increase / (decrease) in creditors	20,262	(25)
<b>Cash from operations</b>	<b>(7,366)</b>	<b>(8,376)</b>
Income tax paid	(878)	(1,276)
<b>Net cash outflow from operating activities</b>	<b>(8,244)</b>	<b>(9,652)</b>
<b>Cash flow from investing activities</b>		
Interest received	1,643	1,489
Interest paid	(2,474)	(1,366)
Purchase of tangible fixed assets	(1,259)	(1,229)
Purchase of intangible fixed assets	(2,977)	(5,441)
Purchase subsidiary (net of cash acquired) (Note 25)	-	1,016
Dividends received from joint ventures	500	950
<b>Net cash used in investing activities</b>	<b>(4,567)</b>	<b>(4,581)</b>
<b>Cash flow from financing activities</b>		
Amounts borrowed in the year	20,200	-
Decrease in borrowings	(16)	(42)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>20,184</b>	<b>(42)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,373</b>	<b>(14,275)</b>
Cash and cash equivalents at beginning of the year	9,437	20,462
Exchange adjustments	(2,667)	3,250
<b>Cash and cash equivalents at the end of the year</b>	<b>14,143</b>	<b>9,437</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	14,143	9,437
<b>Cash and cash equivalents</b>	<b>14,143</b>	<b>9,437</b>

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12(b) not to present the company statement of cash flows. The notes on pages 36 to 61 form part of these financial statements.

## Principal accounting policies

### General information

The company is a private company limited by shares and is incorporated in England. The address of its registered office is One Gloucester Place, Brighton, United Kingdom, BN1 4AA.

### Statement of compliance

The group and individual financial statements of INTO University Partnerships Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

### Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on page 34.

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

The following accounting policies have been applied consistently in both the current and preceding periods in dealing with items which are considered material in relation to the company's financial statements. These financial statements are prepared in Pounds Sterling (£) and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council.

The functional and presentation currency of the company is considered to be Pounds Sterling (£) because that is the currency of the primary economic environment in which the group operates.

### Exemptions for qualifying entities under FRS 102

INTO University Partnerships Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The company has taken advantage of the following exemptions in its individual financial statements:

- from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A as the information is provided in the consolidated financial statement disclosures;
- from disclosing share-based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments, as the company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

### Going concern

The financial statements have been prepared on the going concern basis, which assumes that the group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The COVID 19 crisis impacted the international education sector and more generally student mobility. Management have taken steps to maintain the financial resilience of the group in the short and long term through diligent liquidity planning including renegotiating the credit facilities with its bankers.

As a result, this uncertainty has been considered as part of the groups assessment of the going concern basis in the preparation of the financial statements. In preparing this analysis the Board have considered the group's ability to meet its liabilities based on various levels of reductions in student numbers, as well as a number of cost mitigation strategies that can and have been employed.

The group holds a £30m facility with HSBC Bank plc which has been extended to February 2025. The covenants for the extension period to February 2025 move the facility to a quarterly test of interest cover and leverage from April 2024 reflecting the groups positive performance and outlook. Management will renegotiate this facility beyond this period at an appropriate time. Management expect to use this facility in FY24 to continue to invest in future growth strategies and fund exceptional items. Management continues to monitor compliance with the covenants required under the agreement. As at 31 July 2023 £20.2m was drawn under this facility.

The Board have considered what level of reduction in student volumes and corresponding mitigation would break a facility covenant and do not consider this reverse stress test scenario a likely occurrence. Based on these circumstances, the Board believe that it remains appropriate to prepare the financial statements on the going concern basis.

After considering the cash flow projections for the period to February 2025, the directors believe the group has sufficient funds to meet its liabilities as they fall due and have accordingly prepared the financial statements on a going concern basis.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings, together with the group's share of results of its joint ventures made up to 31 July 2023, with comparatives representing an annual year to 31 July 2022.

A separate statement of comprehensive income has not been included for the company by virtue of section 408 of the Companies Act 2006.

Where the accounting period of an entity within the group is not coterminous with the group's accounting period of the 12 months to 31 July, the result for that entity for the 12 months to 31 July and the balance sheet at that date are included.

### **Subsidiaries**

Acquisitions of subsidiaries are accounted for using the acquisition method.

Inter-company transactions, balances and unrealised gains arising between the company and its subsidiaries are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been aligned where necessary to ensure consistency with the policies adopted by the group. In the parent company financial statements investments in subsidiaries are accounted for at cost less impairment.

### **Investments in joint ventures**

The results, assets and liabilities of a jointly controlled entity are incorporated in these financial statements using the equity method of accounting. Under the equity method, the investment in a jointly controlled entity is carried in the balance sheet at cost, plus post-acquisition changes in the group's share of net assets of the jointly controlled entity, less distributions received and less any impairment in value of the investment. The group statement of comprehensive income reflects the group's share of the results after tax of the jointly controlled entity.

Where necessary, adjustments are made to financial statements of jointly controlled entities to bring the accounting policies used into line with those of the group.

Unrealised gains on transactions between the group and its jointly controlled entities are eliminated to the extent of the group's interest in the jointly controlled entities.

The group assesses investments in jointly controlled entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

In the parent company financial statements investments in joint ventures are accounted for at cost less impairment.

### **Business combinations and goodwill**

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages, the cost is the consideration at the date of each transaction.

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

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGUs') that are expected to benefit from the combination.

### **Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Unrealised gains and losses on intercompany balances are retranslated at the period end rate and gains and losses are taken to the translation reserve as appropriate.

### **Foreign operations**

The assets and liabilities of foreign operations are translated to Pounds Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Pounds Sterling at the average rate for the year. Exchange differences arising on retranslation

of foreign operations from the opening / average rate to the closing rate are recognised in other comprehensive income and are included in the translation reserve.

### Intangible assets

- **Computer software**

Computer software is amortised over its estimated useful life, of 4 – 7 years, on a straight-line basis.

Assets under course of construction represents software being developed by the group and its subsidiaries.

Computer software is stated at cost less accumulated amortisation and accumulated impairment loss. Software development is capitalised in accordance with FRS102 section 18.8H.

Development costs are only recognised once the group has the ability to demonstrate the technical feasibility of a software project, that the project will generate future economic benefits, and the availability of technical, financial and other resources to complete the project. Costs that do not fall within this criteria, including research costs and post-completion maintenance costs, are taken directly to the Statement of Comprehensive Income.

- **Goodwill**

Goodwill represents the excess of the cost of acquisition of a subsidiary over the group's share of the fair value of identifiable net assets acquired.

Goodwill is allocated to cash-generating units for the purpose of 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.

- **Agency relationships**

Agency relationships acquired as part of acquisitions of businesses are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the group.

Goodwill and agency relationships are amortised on a systematic basis over its useful life, which is 10 -15 years. It is believed that the useful life of 10-15 years is appropriate as the contacts in the acquired entities are expected to generate benefits over at least this period

At each reporting date an assessment is conducted to review if there is any indication of impairment. If there is objective evidence of impairment an impairment loss is recognised in the statement of comprehensive income.

### Tangible fixed assets

Tangible assets are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure directly attributable to acquisition. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Estimated depreciation is made on the following basis to write off the assets over their estimated useful economic lives:

Land freehold	Not depreciated
Buildings freehold	2% straight line
Leasehold improvements	Life of the lease
Fixtures and fittings	20% - 25% straight line
Office equipment	20% - 25% straight line

Useful lives and residual values are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is impaired immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When an asset is sold or disposed of it is removed from the balance sheet.

## Employee benefits

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

- **Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

- **Defined benefit multi employer plans**

Certain of the employees of the group's joint ventures are members of defined benefit pension schemes as a result of their being transferred from the partner university to the joint venture under TUPE arrangements when the joint ventures were formed. Liabilities in respect of each joint venture's required contributions to deficit recovery plans are included within the share of liabilities in relation to joint ventures at the balance sheet date. In relation to a scheme administered by Newcastle University it has been agreed that liabilities relating to the recovery of this deficit will be met by the shareholding companies of NUINTO Limited, a related company which holds these employees' contracts of employment. A provision of £32k has therefore been provided in the financial statements recognising the group's liability in respect of this deficit.

- **Annual bonus plan**

The group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

- **Long term incentive plans**

The company operates a long term incentive plan for certain key employees and Directors which is accounted for under the provisions of FRS102. See Note 21 for details of the scheme.

## Financial instruments

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at transaction price and continue to be recognised at that amount unless evidence exists as to any potential impairment.

Basic financial assets, including trade and other receivables, cash and bank balances and investments, and basic financial liabilities, including trade and other payables, are recognised at fair value which is normally the transaction price.

## Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Revenue is shown net of value-added tax and amounts due to third parties and after elimination of revenue within the group.

Amounts invoiced in advance of services being performed are deferred within creditors due in less than one year until the service is performed. Where services are performed prior to amounts being invoiced, amounts are recognised as accrued income within debtors.

- **Tuition**

Tuition fees represent all fees chargeable to students or their sponsors, attributable to the current accounting year, net of discounts. Tuition fees are attributed to accounting periods based on the tuition actually provided in that period. The costs of any fees waived or discounts are deducted from tuition fee income.

- **Accommodation**

Accommodation fees are spread over the period of occupancy to which they relate.

- **Catering and other ancillary services**

Catering income represents the sale of food and beverages from ancillary catering facilities and other services performed on students' behalf. Revenues are recognised in the period that they are provided.

- **Management and corporate services fees**

Marketing services, management services and other corporate services are provided by the group to its joint ventures. Such turnover is recognised in the accounting period in which the services are provided. The majority of these fees are based on services performed over a fixed period of time (monthly or quarterly) and are spread evenly over that period.

- **Progression fees**

The group receives contractual payments from certain Universities in relation to students progressing to join the University from INTO study centres and from direct applicants joining the University as a result of marketing activity conducted by the group.

For students applying directly to join the University, turnover is recognised at the point students accept and become entitled to a place to study at the University and is recognised for all future payments in full less a provision for estimated student withdrawals.

For students progressing from INTO study centres turnover is recognised based on the current student cohort and historic student progression data from individual study centres. Turnover is recognised for all future payments in full less a provision for estimated student withdrawals, discounted where appropriate.

In some cases, INTO has additional obligations relating to the receipt of progression fees, relating to the provision of scholarships to pathway students. In those cases revenues are not recognised until those obligations are met.

- **Placement / Commission fees**

Contractual payments are received from certain education providers in relation to placing students where the group acts as agent. Such turnover is recognised at the point students accept and become entitled to a place to study and only the agency commission due is recognised as revenue. The Group also receives marketing fees, that are based on student numbers, from its joint ventures which are accounted for as commission fees and recognised over the period of tuition.

- **Student deposits and credit balances**

The group holds credits on its balance sheet in relation to deposits and other credits held on behalf of students. In some cases in spite of multiple attempts to contact the relevant individuals the group is unable to identify an account into which to return the funds. These amounts are released to the Statement of comprehensive income after they become non-refundable.

- **Rental income**

Rental income receivable is recognised in the period to which it relates.

- **Other income**

Other income represents government grants received under the Coronavirus Job retention scheme. The amounts are recognised using the accrual model.



### Operating leases

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

### Contingent liabilities

Because of the nature of the business it is possible that from time to time the group will enter into disputes with third parties. Contingent liabilities are disclosed if the possibility of an outflow of economic benefit to settle the obligation is more than remote.

In approving these financial statements, the Board of Directors have confirmed their view that no further provisions need to be booked in respect of such matters. See Note 23 for details of contingent liabilities.

### Share based payments

The group provides share-based payment arrangements to certain employees and Directors. These arrangements include shares which have distribution rights in the event of a share sale or capital return. Equity settled arrangements are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that will vest. Cash settled arrangements are measured at fair value and the fair value of the liability is recalculated at each reporting date. The Directors take into account various factors, including the scheme rules, the award value and the likelihood of a qualifying event when deciding whether to recognise an expense in relation to these arrangements.

### Taxation

Current tax, including UK corporate tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date and the reversal of these items is deemed likely. Deferred tax is provided at amounts expected to be paid using the tax rates and laws enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax is not provided for unused tax losses due to current uncertainties surrounding the reversal of the underlying differences.

### Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

### Administrative exceptional items (non-underlying)

The group classifies certain one-off charges or credits that have a material impact on the group's finance results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group, included in the "non-underlying" column in the consolidated statement of comprehensive income.

### Agent Commission

Commission paid to third party agents, where the entity has a right to recover the payments in the event the student leaves before the completion of their course, are deferred on the balance sheet and recognised over the same period as the related student revenue. Payments made

where the entity has no recourse to recover them are expensed as they are earned by the third party.

### **Dilapidations**

Provisions for dilapidations represent management's best estimate of liabilities in respect of dilapidations clauses likely to arise on expiry of the group's property leases. These amounts are included within provisions for liabilities and charges and are discounted at an appropriate rate.

### **Share capital, share premium and capital redemption reserve**

The called-up share capital reserve represents the nominal value of the shares issued. Ordinary shares are classified as equity. The share premium reserve includes the premium on issue of equity shares, net of any issue costs. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, against share premium. The capital redemption reserve is a reserve generated from the buyback of shares associated with the management incentive scheme.

### **Translation reserve**

Exchange differences arising on a monetary item that forms part of the company's net investment in a foreign operation are recognised in other comprehensive income and are accumulated in the translation reserve.

### **Profit and loss reserve**

This represents cumulative profits or losses, net of dividends paid and other adjustments.

### **Critical accounting judgements and 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.

### **Accounting judgements**

- **Software capitalisation**

The decision to capitalise a software project and recognise within intangible assets is taken by management when they deem the recognition criteria under FRS 102 to have been met. Costs incurred prior to this point where the ultimate feasibility has not been established are taken to the statement of comprehensive income.

- **Commercial dispute**

As detailed in Note 23 the group is subject to an ongoing commercial dispute in relation to one of its joint ventures. The Board deem it probable that the INTO group will be successful in this case. Therefore whilst providing for legal costs incurred to date, and for any debt in relation to this entity that it considers not to be recoverable, the group has continued to recognise income in relation to services provided to the joint venture in the period as the Board believe this can be recovered in cash from the relevant joint venture. The Board have provided in full for Progression fees due from the partner university, which are still being reclaimed as part of damages in the ongoing case, but where the likelihood of recovery is not considered to be sufficiently likely to warrant recognition.

### **Key accounting estimates and assumptions**

In the application of the groups accounting policies the directors are required to make key estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and / or future period as applicable.

The following are the key accounting estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements.

- **Progression fees**

The estimation of contractual payments in relation to students progressing to partner Universities from INTO study centres is the largest estimate in the year. The key assumptions are in relation to student volumes which incorporates a drop-out rate and the discounting rate which is based on the group's current cost of borrowing.

- **Commission fees**

Certain commission fees receivable which relate to students progressing to partner universities are based on estimates of the number of students likely to progress as well as the average commission payable. These calculations are based on past experience and on increases in the partner's average fees, on which the commission payable is based.

- **Useful economic lives of tangible and intangible assets**

The annual depreciation charge for tangible and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Notes 8 and 9 for the carrying amount and Principal accounting policies for the useful economic lives for each class of assets.

- **Capitalisation of costs relating to intangible assets**

Internal costs are treated as additions to intangible fixed assets only if they are deemed to meet the criteria associated with development of intangible assets noted above. These costs include internal staff costs which are recognised at an appropriate rate dependent on the salaries of the individuals involved. Costs relating to intangible assets also include directly incurred external costs which are recognized as they occur.

- **Recoverability of debtors**

Debtors are disclosed in the financial statements net of provisions for amounts that are not considered likely to be recovered. These amounts are assessed on a case-by-case basis depending on the specific facts and circumstances pertaining to each debt, and management considers amounts provided to represent its best estimate of the amounts unlikely to be recovered.

- **Impairment of non-financial assets**

In addition to the assessment performed above on useful lives of tangible and intangible assets, non-financial assets are reviewed at least annually for any indications of impairment, and where there exists an indication that their book values may not be supported by their value in use or resale value, an impairment is recognised.

- **Provisions for liabilities**

The provision in the year relates to a charge in respect of settlement of disputes and associated costs. They also included estimated liabilities likely to arise on expiry of the group's property leases in respect of dilapidation provisions. Management considers these provisions to represent a prudent assessment of the likely settlement and costs.

- **Share based payments**

During the year the company recognised a total expense of £nil related to equity share based payments in the year (2022: £8k) directly to the profit and loss reserve, as well as a £105k credit within administrative expenses relating to management awards that have lapsed, as a result of the relevant individuals leaving the company. A credit of £187k (2022: £33k) related to cash settled share-based payments has also been recognised within administrative expenses (see Note 21).

## Notes to the financial statements

### 1 Turnover

	2023 £'000	2022 £'000
<b>Geographical analysis</b>		
UK	75,165	64,646
North America	29,946	27,277
South America	70	-
Asia	4,222	4,108
Australia	2,234	100
	<b>111,637</b>	<b>96,131</b>

Geographical analysis is based on the country in which the services are received.

All turnover is derived from services provided in relation to the provision of education and marketing services for international students.

### 2 Administrative exceptional items

Administrative exceptional items totaling £3,543k related to a £1,468k charge in respect of disputes, restructuring severance costs of £1,875k, a release of £293k in relation to irrecoverable debt from related parties, a £488k charge in respect of Covid recovery bonuses paid, a credit of £105k in respect of share based payments, and losses on termination of property leases of £110k.

In the prior year administrative exceptional items totaling £329k related to a charge of £272k in relation to software impairment, a £550k charge in respect of disputes, restructuring severance costs of £581k, a release of £901k in relation to irrecoverable debt from related parties, and a profit on the reassignment of a property of £173k.

### 3 Other income

	2023 £'000	2022 £'000
Government grants	202	38

Other income in the current year represents amounts received in respect of research and development tax credits and is recognised as the amounts become due.

Other income in the prior year represented amounts received in respect of the government's Coronavirus Job Support Scheme and was recognised as the amounts become due.

#### 4 Group operating loss

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

	2023 £'000	2022 £'000
Amortisation of intangible assets	3,127	3,329
Depreciation of tangible assets	1,603	1,454
Impairment of intangible assets	-	272
Loss on disposal of tangible assets	-	171
Operating lease charges	11,802	8,855
Foreign exchange loss	(265)	(545)

The group received £652k (2022: £393k) in respect of rental income from a third party to which it sublet a property. The lease agreement contains a break clause which enables either party to exit the lease with nine months' notice.

##### Services provided by the Company's auditors

Fees payable for the audit of the company's annual financial statements	100	80
Fees payable for other services – audit of subsidiaries pursuant to legislation	145	131
Fees payable for other services – other advisory	8	11

The company's auditors also audit a number of the joint ventures. The amounts disclosed above do not include fees payable by the respective joint ventures for those services.

#### 5 Staff costs

Staff costs comprise:

GROUP	2023 £'000	2022 £'000
Wages and salaries	46,815	41,637
Social security costs	5,385	4,912
Pension costs	3,055	3,011
	55,255	49,560

COMPANY	2023 £'000	2022 £'000
Wages and salaries	3,477	3,817
Social security costs	493	518
Pension costs	255	251
	4,225	4,586

## 5 Staff costs (continued)

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

GROUP	2023 Number	2022 Number
Teaching	293	275
Marketing	237	248
Admission and enrolment	139	107
Administration	423	413
	<b>1,092</b>	<b>1,043</b>

COMPANY	2023 Number	2022 Number
Marketing	8	7
Administration	14	16
	<b>22</b>	<b>23</b>

Directors' remuneration	2023 £'000	2022 £'000
Directors' remuneration consists of:		
Emoluments	1,237	919
Payments to defined contribution pension scheme	24	17
	<b>1,261</b>	<b>936</b>

There were 5 directors in the company's defined contribution pension scheme during the year (2022: 2).

The emoluments of the highest paid director in the year were £395k (2022: £410k). Payments to defined contribution pension scheme in respect of the highest paid director were £nil (2022: £14k). Key management personnel are considered to be directors only and therefore is disclosed above.

As required by the Office for Students in its accounts direction below are the number of staff with a full time equivalent basic salary over £100k per annum in bands of £5k. Please note that as INTO University Partnerships Limited is a global group this disclosure will include any entities it controls on a worldwide basis.

## 5 Staff costs (continued)

GROUP'	2023	2022
	Number of employees with full time equivalent basic salary paid in each band	Number of employees with full time equivalent basic salary paid in each band
£100,000 to £104,999	8	7
£105,000 to £109,999	3	6
£110,000 to £114,999	5	5
£115,000 to £119,999	3	2
£120,000 to £124,999	3	2
£125,000 to £129,999	3	-
£130,000 to £134,999	2	6
£135,000 to £139,999	4	4
£140,000 to £144,999	1	3
£145,000 to £149,999	1	-
£150,000 to £154,999	1	1
£155,000 to £159,999	3	1
£160,000 to £164,999	-	1
—		
£190,000 to £194,999	-	2
£195,000 to £199,999	1	-
£200,000 to £204,999	1	-
—		
£210,000 to £214,999	1	-
£215,000 to £219,999	1	-
£220,000 to £224,999	1	-
£225,000 to £229,999	-	1
£230,000 to £234,999	1	1
£235,000 to £239,999	-	-
£240,000 to £244,999	1	1
£245,000 to £249,999	1	-
£250,000 to £254,999	-	1
£255,000 to £259,999	1	-
—		
£285,000 to £289,999	-	2
—		
£310,000 to £314,999	1	-
—		
£350,000 to £354,999	-	1
—		
£360,000 to £365,000	1	-
—		
£395,000 to £399,000	-	1
Total	48	48

## 5 Staff costs (continued)

### Remuneration of the head of provider

The head of provider's base pay and total remuneration is managed by the INTO Board of Directors and Remuneration Committee. INTO is a commercial organisation with operations globally and as such it recruits senior people against this background. The head of provider is not only responsible for our UK education centres but also as a member of the Board of Directors. The individual holding the head of provider role has responsibility which extends globally. Base pay and total remuneration are benchmarked by specialist advisors using high quality commercially available data appropriate to the role, responsibility and seniority. Performance is assessed considering objectives set by the Chairman at the beginning of each year with at least mid-year and end of year reviews against both specific objectives and individual competencies required for the role. It is the responsibility of the Remuneration Committee to review and recommend (to the Board of Directors) regarding all aspects of remuneration for the head of provider as well as other senior employees. This review is completed at least annually, considering market conditions as well as company and individual performance, to ensure the package is appropriate.

The head of provider remuneration is disclosed below:

HEAD OF PROVIDER	2023 £'000	2022 £'000
Basic salary	234	227
Payments in lieu of pension contributions	11	11
Payments of dividends	-	-
Performance related bonuses	-	-
Pension contributions	-	-
Salary sacrifice arrangements	1	1
Compensation for loss of office	-	-
Other remuneration	-	-
<b>Total</b>	<b>246</b>	<b>239</b>

The head of provider's basic salary is 7 times the median basic salary of staff (2022: 7 times) where the median pay is calculation on a full-time equivalent basis for the salaries paid by the provider to its staff.

The total compensation for loss of office is £731k to 48 staff members (2022: £254k to 11 staff members). None of the compensation for loss of offices related to the head of provider.



## 6 Net interest and similar charges

<b>GROUP</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Unrealised exchange (losses)/gains	(4,587)	6,512
Bank interest payable	(975)	(39)
Bank interest receivable	261	31
Loan interest receivable from related parties	651	757
Other interest payable and similar charges	(659)	(709)
Other interest receivable and similar credits	335	83
	<b>(4,974)</b>	<b>6,635</b>

<b>SHARE OF JOINT VENTURES'</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Unrealised exchange losses	(1)	-
Bank interest payable	(303)	(146)
Bank interest receivable	121	11
Loan interest payable to related parties	(537)	(472)
Other interest receivable / (payable) and similar credits / (charges)	275	(85)
	<b>(445)</b>	<b>(692)</b>

## 7 Tax on loss on ordinary activities

	2023 £'000	2022 £'000
<b>a) Tax on loss on ordinary activities</b>		
<b>Current tax:</b>		
UK corporation tax on losses for the year	73	2,903
Foreign corporation tax on losses of the year	420	313
Tax charge / (credit) relating to the prior period	224	(1,095)
<b>Total current tax charge</b>	<b>717</b>	<b>2,121</b>
<b>Deferred tax:</b>		
Effect of changes in the tax rate	-	-
Origination and reversal of temporary differences	76	(124)
Tax (credit) / charge relating to the prior period	(239)	54
<b>Total deferred tax (credit)</b>	<b>(163)</b>	<b>(70)</b>
<b>Tax on loss on ordinary activities including share of joint venture taxation</b>	<b>554</b>	<b>2,051</b>
<b>b) Factors affecting the total tax charge</b>		
Loss on ordinary activities before taxation	(13,169)	(6,134)
Tax calculated at the domestic UK rate applicable 2023: 21% (2022: 19%)	(2,765)	(1,165)
<b>Effects of:</b>		
Expenses not deductible	3,759	2,930
Income not taxable	(871)	(1,067)
Adjustments in respect of foreign tax rates	109	(228)
Difference in tax rates	(2)	-
Deferred tax not recognised	338	2,622
Prior year adjustment	(14)	(1,041)
<b>Total tax charge</b>	<b>554</b>	<b>2,051</b>

### c) Factors that may affect future tax charges:

Deferred tax has been recognised at a rate of 21%. Deferred tax was recognised at a rate of 19% at 31 July 2022.

Deductible temporary differences and unused tax losses for which no deferred tax asset has been recognised totals £16,793k (2022: £10,906k). This asset has not been recognised in the financial statements due to current uncertainties surrounding the reversal of the underlying differences. This deferred tax asset would be recovered if there were future taxable profits from which the reversal of the underlying difference could be deducted.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as the group can control the timing of any dividends payable.

## 8 Intangible assets

GROUP	Goodwill	Agency relationships	Computer software	Assets under course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 August 2022	8,112	1,440	14,766	2,316	26,634
Additions	-	-	590	4,599	5,189
Reclassification from assets under construction	-	-	4,656	(4,656)	-
Disposals	-	-	(903)	(2,212)	(3,115)
Foreign exchange	(362)	(99)	62	(21)	(420)
<b>At 31 July 2023</b>	<b>7,750</b>	<b>1,341</b>	<b>19,171</b>	<b>26</b>	<b>28,288</b>
<b>Accumulated amortisation</b>					
At 1 August 2022	5,640	790	9,856	-	16,286
Charge	397	111	2,619	-	3,127
Disposals	-	-	(903)	-	(903)
Foreign exchange	(236)	(65)	98	-	(203)
<b>At 31 July 2023</b>	<b>5,801</b>	<b>836</b>	<b>11,670</b>	<b>-</b>	<b>18,307</b>
<b>Net book value</b>					
<b>At 31 July 2023</b>	<b>1,949</b>	<b>505</b>	<b>7,501</b>	<b>26</b>	<b>9,981</b>
At 31 July 2022	2,472	650	4,910	2,316	10,348

Disposals include software developed by the group's subsidiaries that is sold to the group's joint ventures.

Amortisation is charged to administrative expenses in the consolidated statement of comprehensive income.

The carrying value of the goodwill balance includes £1,355k in relation to the acquisition of International Student Education Services, Inc, which has been subsequently subsumed by the group's direct entry business. The goodwill is being amortised over 15 years, 5 years of which remain at 31 July 2023.

## 9 Tangible assets

GROUP	Land & buildings freehold £'000	Land & buildings leasehold improvements £'000	Fixtures & fittings £'000	Office equipment £'000	Total £'000
<b>Cost</b>					
At 1 August 2022	1,032	8,129	1,847	4,209	15,217
Additions	-	645	113	501	1,259
Disposals	-	(49)	(329)	(1,009)	(1,387)
Foreign exchange	-	125	(23)	(67)	35
<b>At 31 July 2023</b>	<b>1,032</b>	<b>8,850</b>	<b>1,608</b>	<b>3,634</b>	<b>15,124</b>
<b>Accumulate depreciation</b>					
At 1 August 2022	214	3,177	1,093	2,932	7,416
Charge for the year	20	645	323	615	1,603
Disposals	-	(49)	(329)	(1,009)	(1,387)
Foreign exchange	-	(58)	(32)	(135)	(225)
<b>At 31 July 2022</b>	<b>234</b>	<b>3,715</b>	<b>1,055</b>	<b>2,403</b>	<b>7,407</b>
<b>Net book value</b>					
<b>At 31 July 2023</b>	<b>798</b>	<b>5,135</b>	<b>553</b>	<b>1,231</b>	<b>7,717</b>
At 31 July 2022	818	4,952	754	1,277	7,801

Depreciation is charged to administrative expenses in the consolidated statement of comprehensive income.

## 10 Investments in joint ventures

GROUP	2023 £'000	2022 £'000
<b>Share of assets</b>		
Share of current assets	32,036	33,413
Share of fixed assets	6,905	7,539
	38,941	40,952
<b>Share of liabilities</b>		
Liabilities due within one year	(79,261)	(86,733)
Liabilities due after more than one year	(4,775)	(6,050)
<b>Share of net liabilities</b>	(45,095)	(51,831)
<b>Presented on the balance sheet as:</b>		
Investment in joint ventures	1,467	1,000
Liabilities in respect of joint ventures	(46,562)	(52,831)
	(45,095)	(51,831)
Share of turnover	47,951	42,226
Share of expenses	(51,703)	(47,625)
<b>Share of operating loss</b>	(3,752)	(5,399)

Administrative exceptional credits in the year totaling £610k related to a release of provisions in relation to disputes of £9k, a credit of £982k from a provision against debts from related parties, costs of Covid recovery bonuses of £99k, and restructuring costs of £282k.

Administrative exceptional credits in the prior year totaling £135k related to a release of a provision in relation to disputes of £281k, a charge of £121k from a provision against debts from related parties and restructuring costs of £25k.

A significant joint venture is defined as one which represents 25% of the group's (excluding joint ventures) gross assets, gross liabilities, turnover or operating result. Results of individually significant joint ventures are disclosed in note 24.

## 11 Investments

GROUP	Other Investments £'000
At 1 August 2022	150
At 31 July 2023	150

COMPANY	Investment in subsidiaries £'000	Other investments £'000	Total £'000
At 1 August 2022	36,020	104	36,124
At 31 July 2023	36,020	104	36,124

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The directors have reviewed the carrying value of the investment in subsidiaries and other investments and believe that no impairment of the Company's investments is required due to the future forecast cash flows of these entities supporting the current carrying value.

A full list of the subsidiaries and joint ventures of the group can be found in Note 22.

## 12 Debtors

GROUP	2023 £'000	2022 £'000
<b>Due within one year:</b>		
Trade debtors	40,920	22,098
Amounts owed by related undertakings (Note 19)	34,969	47,690
Corporation Tax	1,836	28
Other debtors	9,355	6,180
Prepayments and accrued income	23,390	17,743
	110,470	93,739
<b>Due after more than one year:</b>		
Amounts owed by related undertakings (Note 19)	4,300	-
Prepayments and accrued income	10,206	13,174
	14,506	13,174

Trade debtors for the group is stated net of a £239k provision for bad debts (2022: £273k)

Amounts owed by related undertakings are as disclosed by entity in Note 19. These amounts are unsecured and have no fixed repayment date. Interest is charged on formal loan balances and disclosed in Note 19.

Amounts owed by related undertakings for the group is stated net of a £3,167k provision for related party bad debts (2022: £2,952k).

COMPANY	2023 £'000	2022 £'000
<b>Due within one year:</b>		
Trade debtors	139	113
Amounts owed by group undertakings	25,343	10,732
Amounts owed by related undertakings (Note 19)	265	298
Corporation tax	475	-
Deferred tax	414	239
Other debtors	97	101
	26,733	11,483
Prepayments and accrued income	877	581

Trade debtors for the company is stated net of a £nil provision for bad debts (2022: £nil).

Amounts owed by group undertakings to the company are unsecured and have no fixed repayment date.

### 13 Creditors

GROUP	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Bank loans	20,200	-
Trade creditors	7,631	4,525
Amounts owed to related undertakings (Note 19)	2,824	3,229
Other taxation and social security	1,222	1,174
Other creditors	14,810	13,821
	46,687	22,749
Accruals	13,114	13,558
Deferred income	56,162	38,041
	69,276	51,599

Amounts owed to related undertakings are as disclosed by entity in Note 19. These amounts are unsecured and have no fixed repayment date. Interest is payable on formal loan balances as disclosed in Note 19.

Loans due within one year represent the elements of the facilities shown in Note 15 that are repayable within one year.

COMPANY	2023 £'000	2022 £'000
<b>Amounts falling due within one year:</b>		
Loans	15,200	-
Trade creditors	48	81
Amounts owed to group undertakings	3,580	5,174
Amounts owed to related undertakings (Note 19)	1,043	1,056
Corporation tax	-	1,491
Other taxation and social security	423	374
Other creditors	212	291
	20,506	8,467
Accruals	1,500	1,330
Deferred income	331	245
	1,831	1,575

Loans due within one year represent the elements of the facilities shown in Note 15 that are repayable within one year.

Amounts owed to group and related undertakings are unsecured and have no fixed repayment date.



## 14 Provisions for liabilities

GROUP	Potential settlement of disputes £'000	Other £'000	Total £'000
<b>Amounts falling due within one year:</b>			
At 1 August 2022	1,130	2,134	3,264
Charged	-	59	59
Reclassification to amounts due after more than one year	-	(1,835)	(1,835)
Utilised	(1,101)	-	(1,101)
Released to statement of comprehensive income	(29)	(267)	(296)
<b>At 31 July 2023</b>	<b>-</b>	<b>91</b>	<b>91</b>

<b>Amounts falling due after more than one year:</b>			
At 1 August 2022	-	1,375	1,375
Charged	-	41	41
Reclassification from amounts due within one year	-	1,835	1,835
Released to statement of comprehensive income	-	(505)	(505)
<b>At 31 July 2023</b>	<b>-</b>	<b>2,746</b>	<b>2,746</b>

COMPANY	Other £'000	Total £'000
<b>Amounts falling due within one year:</b>		
At 1 August 2022	221	221
Charged	55	55
Utilised	(17)	(17)
Released to statement of comprehensive income	(226)	(226)
<b>At 31 July 2023</b>	<b>33</b>	<b>33</b>

Provisions for the Company include £nil (2022: £nil) falling due after more than one year.

On 15th July 2022 proceedings were filed in a US court seeking a declaratory judgment in relation to a commercial dispute to which an INTO group entity is a party. INTO group opposes the declaration (which has subsequently been dropped) and has filed a claim for damages against the parties who brought this action. The same party has also filed another claim in relation to costs incurred in relation to recruitment of students being stopped for this entity. INTO have provided for legal fees up to 31 July 2023 in relation to this ongoing litigation. Further legal fees in relation to this case are expected to be incurred in FY24 in respect of this dispute and have been included in the forecasts for this period. Full provision has been made in FY23 against the debt position of INTO group in relation to this claim. The total provision amount has not been disclosed in relation to this item as it is deemed it would be prejudicial to do so.

Provisions for liabilities at 31 July 2023 falling due after more than one year comprise costs of dilapidations.

The directors consider that the provisions cover their best estimate of the likely settlement and costs in each case.

**15 Creditors; amounts falling due after more than one year**

<b>GROUP</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Long term</b>		
Loans due after one year	84	100

The table below details loan facilities used by the group.

<b>Facility</b>	<b>Security</b>	<b>Interest rate</b>	<b>Amount outstanding</b>	
			<b>2023</b>	<b>2022</b>
			<b>£'000</b>	<b>£'000</b>
Revolving credit facility	Charge over the company's assets as disclosed in Note 18	3.3% plus SONIA	20,200	-
Commercial mortgage loan agreement	Charge against the freehold property of the group	3.8% above the HSBC Bank plc Sterling Base rate	84	100
			<b>20,284</b>	<b>100</b>

The maturity of long term borrowings is as follows:

<b>GROUP</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Between 2 and 5 years	84	100

**16 Analysis of changes in net funds**

<b>GROUP</b>	<b>At 1 August 2022</b>	<b>Foreign Exchange</b>	<b>Other</b>	<b>At 31 July 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	9,437	(2,667)	7,373	14,143
Borrowings	(100)	-	(20,184)	(20,284)
<b>Net funds</b>	<b>9,337</b>	<b>(2,667)</b>	<b>(12,811)</b>	<b>(6,141)</b>

## 17 Called up share capital - Group and Company

Allotted, called up and fully paid	2023 £'000	2022 £'000
67,500,000 A1 Ordinary Shares of £0.01 each	675	675
22,500,000 B1 Ordinary Shares of £0.01 each	225	225
22,788,800 Deferred Shares of £0.01 each	228	228
6,170,861 C Ordinary Shares of £0.01 each	62	62
100,000 D Ordinary Shares of £0.01 each	1	1
1,000,000 E Ordinary Shares of £0.01 each	10	10
2,846,341 F Ordinary Shares of £0.01 each	28	28
	<b>1,229</b>	<b>1,229</b>

### A1 Ordinary Shares:

The A1 ordinary shares carry one vote on a written resolution and one vote on a resolution on a poll taken at a meeting. The holders of the A1 ordinary shares also have the right to vote on a resolution on a show of hands at a meeting. On a distribution of capital, the holders of A1 ordinary shares are entitled to participate in accordance with the formulae set out in the Company's articles of association. The A1 ordinary shares are not redeemable.

### B1 Ordinary Shares:

The B1 ordinary shares carry one vote on a written resolution and one vote on a resolution on a poll taken at a meeting. The holders of the B1 ordinary shares also have the right to vote on a resolution on a show of hands at a meeting. On a distribution of capital, the holders of B1 ordinary shares are entitled to participate in accordance with the formulae set out in the Company's articles of association. The B1 ordinary shares are not redeemable.

### Deferred Shares:

The Deferred shares do not carry any rights to receive notice of or to attend or vote at any general meeting of the Company or to receive a copy of or to vote on any written resolution of the Company. The holders of Deferred shares are not entitled to participate in any dividend or capital distribution. The Deferred shares are not redeemable.

### C, D, E and F Ordinary Shares:

The C, D, E and F ordinary shares do not carry any rights to receive notice of or to attend or vote at any general meeting of the Company or to receive a copy of or to vote on any written resolution of the Company. The C, D, E and F ordinary shareholders will not have any rights to participate in any distribution of capital upon winding up except in accordance with the formula set out in the Company's articles of association. The C, D, E and F ordinary shares are not redeemable. The F shares issued in the year mirror the benefits of the C shares other than participating in any distribution in the event of a partial sale.

See Note 21 for details of share based payments issued.

## 18 Financial commitments

The following reflects the minimum total future commitments under operating leases for the group companies analysed by the remaining uncancellable lease term:

GROUP	2023 £'000	2022 £'000
<b>Land and Buildings:</b>		
Within one year	12,611	11,466
Between two years and five years	53,800	44,740
After five years	345,821	186,827
	<b>412,232</b>	<b>243,033</b>

COMPANY	2023 £'000	2022 £'000
<b>Land and Buildings:</b>		
Within one year	447	649
Between two years and five years	1,154	2,326
	<b>1,601</b>	<b>2,975</b>

The lease payments recognised as an expense in the year are £11,802k (2022: £8,855k).

There are debentures over assets held in INTO University Partnerships Limited, INTO Manchester Limited, INTO London World Education Centre Limited, Delta Language Training & Consultancy Limited, INTO London MDX Street LLP, Friars 607 Limited, Newincco 1306 Limited, Newincco 1183 Limited, INTO Newcastle University LLP and INTO USA LP in relation to a Revolving Credit Facility in place with HSBC PLC. In addition, there is a Security Agreement in place with IUP 2 LLP in relation to the same credit facility which grants security over its assets. As at 31 July 2023 £20.2m of the £30m revolving credit facility was drawn (2022: Nil).

## 19 Related party transactions

The company has taken advantage of the exemptions available under FRS 102, not to disclose any transactions or balances with entities that are 100% controlled by INTO University Partnerships Limited.

The fundamental core of the group's business model is entering into joint venture partnerships with leading Universities to furnish overseas students with the requisite qualifications to enter onto undergraduate or postgraduate courses at those establishments.

The group provides Management and Corporate Services to these partnerships, and also makes loans to and receives loans from these partnerships at the interest rates specified below.

During the year the group entered into the following transactions with related parties, and had the following balances at year end:

	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000
	Sales	Purchases	Interest receivable/ (payable)	Trading balance	Loan	Interest rate
INTO UEA LLP	2,309	387	-	162	2,225	None
INTO University of Exeter LLP	5,431	166	-	(1,045)	-	N/A
INTO Scotland LLP	-	-	-	-	-	N/A
INTO Queen's LLP	3,457	250	63	827	1,150	BoE Base+2%
INTO City LLP	3,786	136	-	243	(2,000)	None
INTO USF inc	2,121	284	-	727	-	N/A
INTO Oregon State University inc	6,959	-	69	2,939	786	8%
INTO CSU LLC	(106)	-	-	4,085	983	5%
INTO Marshall LLC	-	-	-	-	-	N/A
INTO Mason LLC	1,437	-	-	1,773	2,241	5%
INTO New York at Drew LLC	1,786	1	316	77	5,818	5%
INTO Stirling LLP	1,335	21	-	109	4,300	None
INTO UAB LLC	1,789	19	(73)	1,793	3,146	4%
INTO Washington State University LLC	(3,347)	-	-	(6)	-	N/A
INTO Illinois State University LLC	(896)	310	99	8	-	N/A
INTO Suffolk LLC	2,487	-	176	3,284	2,753	6%
Espalier Ventures Limited	15	1	-	76	-	N/A
Criterion Enterprises Limited	-	-	-	-	-	N/A

**19 Related party transactions (continued)**

	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000
	Sales	Purchases	Interest receivable	Trading balance	Loan	Interest rate
INTO UEA LLP	1,945	88	-	124	-	None
INTO University of Exeter LLP	4,721	1	-	(1,050)	-	N/A
INTO Scotland LLP	(1,127)	-	-	-	-	N/A
INTO Queen's LLP	2,882	7	19	1,000	1,150	BoE Base+2%
INTO City LLP	3,325	18	-	(2,179)	-	None
INTO USF inc	2,029	-	-	2,332	-	N/A
INTO Oregon State University inc	3,135	-	66	2,416	821	8%
INTO CSU LLC	-	-	-	4,448	1,005	5%
INTO Marshall LLC	(2,867)	(2)	-	-	-	N/A
INTO Mason LLC	1,252	(3)	-	2,137	2,339	5%
INTO New York at Drew LLC	894	-	308	67	5,827	5%
INTO Stirling LLP	991	4	-	159	4,300	None
INTO UAB LLC	370	-	66	2,441	3,283	4%
INTO Washington State University LLC	1	-	165	2,059	2,749	N/A
INTO Illinois State University LLC	15	-	-	(515)	4,924	6%
INTO Suffolk LLC	1,764	-	173	1,722	2,837	6%
Espalier Ventures Limited	22	63	-	-	-	N/A
Criterion Enterprises Limited	78	-	-	78	-	N/A

All loans and trading balances are unsecured and have no fixed repayment date, with the exception of the loan to INTO Stirling LLP which is due for repayment in 2038, according to the terms of the formal loan agreement signed in August 2022.

All related parties identified above are 50% owned by the group, with the exception of Espalier Ventures Limited, which is the group's ultimate parent company, and Criterion Enterprises Limited, a company with J B Sykes as a common director.

**20 Ultimate controlling party**

The company's immediate parent and ultimate parent undertaking is Espalier Ventures Limited, a company registered in the United Kingdom. The ultimate controlling party is A J Colin.

Accordingly, the largest and smallest group into which the results of the company are consolidated, as at 31 July 2023, is Espalier Ventures Limited. These financial statements are available to the public and may be obtained from the registered office at One Gloucester Place, Brighton, BN1 4AA.

## 21 Share-based payments

The company has a Management Incentive Plan ("MIP") where certain key employees and Directors have been awarded C, D, and F shares in the company.

Details of the shares awarded are as follows:

	Total number of shares awarded	£'000
J B Sykes	100,000	1
S G Smale	1,997,652	20
D S Eastwood	258,000	2
All other qualifying staff	6,761,550	68
<b>Total</b>	<b>9,117,202</b>	<b>91</b>

The shares will vest on a Share Sale or Capital Return. Subject to the vesting conditions, the amount available for distribution to the shareholders is based on a defined hurdle share value. The value of the shares when the capital distribution amount exceeds the hurdle share value is determined using a formula defined in the Articles of Association of the company.

The value of the shares is determined using a capitalisation of earnings method which encapsulates the growth prospects and risks related to the future earnings. Costs are recognised over the duration of the vesting period. The company recognised a total expense of £nil related to equity share based payments in the year (2022: £8k), and an expense of £187k (2022: £33k) related to cash settled share-based payments.

## 22 Subsidiaries and joint ventures of the group

The subsidiaries and joint ventures of the group are shown below together with details of their main activities.

Directly held subsidiary undertakings	Country / State of incorporation	Holding	Main activities
INTO Manchester Limited (Registered No. 06438137) * (1)	England & Wales	100%	Educational services
Delta Language Training & Consultancy Limited (Registered No. 02976005) * (1)	England & Wales	100%	Educational services
Friars 607 Limited (Registered No. 06885738) * (1)	England & Wales	100%	Investment holding Company
IUP East Anglia Limited (Registered No. 06296000) * (1)	England & Wales	100%	Investment holding Company
INTO Exeter Limited (Registered No. 05980246) * (1)	England & Wales	100%	Investment holding Company
INTO Newcastle Limited (Registered No. 06030536) * (1)	England & Wales	100%	Investment holding Company
Newincco 821 Limited (Registered No. 06556353) * (1)	England & Wales	100%	Investment holding Company
Newincco 921 Limited (Registered No. 06858769) * (1)	England & Wales	100%	Investment holding Company
Newincco 922 Limited (Registered No. 06858821) * (1)	England & Wales	100%	Investment holding Company
INTO Medical Limited (Registered No. 07601122) * (1)	England & Wales	100%	Investment holding Company
INTO UOG Limited (Registered No. 08404156) * (1)	England & Wales	100%	Investment holding Company
INTO University Partnerships (Asia) Limited (2)	Hong Kong	100%	Educational services
IUP 2 LLP (Registered No. OC376452) * (1)	England & Wales	100%	Provision of corporate services
Newincco 1183 Limited (Registered No. 08068260) ** (1)	England & Wales	100%	Dormant
Newincco 1306 Limited (Registered No. 09083887) * (1)	England & Wales	100%	Investment holding Company
INTO GP LP (3)	Delaware, USA	100%	Investment holding Company
INTO Newcastle Line East Property Limited (Registered No. 09061279) * (1)	England & Wales	100%	Development of building projects
INTO York Property Limited (Registered No. 08848481) * (1)	England & Wales	100%	Development of building projects
INTO MAS Limited (Registered No. 09738488) * (1)	England & Wales	100%	Educational services
MAS Education S.A.S (4)	Colombia	100%	Educational services
Espalier Property Project 004 Limited (Registered No. 07331859) * (1)	England & Wales	100%	Other letting and operating of own or leased real estate
Into Education India Private Limited (25)	India	100%	Educational services



## 22 Subsidiaries and joint ventures of the group (continued)

Indirectly held subsidiary undertakings	Country / State of incorporation	Holding	Main activities
IUP Asia Limited (2)	Hong Kong	100%	Educational services
INTO TEFL Limited (Registered No. 07269199) * (1)	England & Wales	100%	Educational services
INTO London MDX Street LLP (Registered No. OC346266) * (1)	England & Wales	100%	Educational services
INTO China Limited (2)	Hong Kong	100%	Educational services
Guangzhou INTO Education Limited (5)	China	100%	Educational services
INTO London World Education Centre Limited (Registered No. 07956509) * (1)	England & Wales	100%	Educational services
INTO USA LP (3)	Delaware, USA	100%	Investment holding Company
INTO North America Inc (3)	Delaware, USA	100%	Provision of corporate services
International Student Education Services, Inc (6)	Delaware, USA	100%	Educational services
INTO London STEM Medicine and Health Ltd** (1)	England & Wales	100%	Educational services
INTO Global Service Centre Limited (2)	Hong Kong	100%	Educational services
Newincco 1184 Limited ** (1)	England & Wales	100%	Dormant
INTO USF LP (7)	Delaware, USA	100%	Investment holding Company
University Access Services HK Limited (2)	Hong Kong	100%	Educational services
DPU Global Limited (2)	Hong Kong	100%	Educational services
DPU (Shanghai) Business Consulting Co., Ltd (19)	China	100%	Educational services
INTO Long Island LLC (20)	New York, USA	100%	Educational services
Schoolapply AG (21)	Switzerland	100%	Educational services
University Access Centre Vietnam Company Limited (22)	Vietnam	100%	Educational services
Into Australia Pty Limited (24)	Australia	100%	Investment holding Company
Into Perth Pty Limited (24)	Australia	100%	Educational services
Into (Malaysia) SDN. BHD. (26)	Malaysia	100%	Educational services
INTO Newcastle University LLP (1)	England & Wales	51%	Educational services
University Access Centre S.A.S (27)	Colombia	100%	Educational services
PT INTO Global Indonesia (28)	Indonesia	100%	Educational services
INTO SLU LLC (15)	Delaware, USA	100%	Educational services
University Access Centre Kazakhstan LLP (29)	Kazakhstan	100%	Educational services
Uni Access Centre (Thailand) Co. Ltd (30)	Thailand	48%	Educational services
INTO Global MENA FZ- LLC (31)	Dubai	100%	Educational services
UAC Services Pakistan ( Private) Ltd (32)	Pakistan	99.9%	Educational services
IUP Access Services Nigeria Limited (33)	Nigeria	100%	Educational services
INTO Lancaster Limited (Registered No. 14819227) * (1)	England & Wales	100%	Educational services

**22 Subsidiaries and joint ventures of the group (continued)**

<b>Indirectly held interests in joint ventures</b>	<b>Country / State of incorporation</b>	<b>Holding</b>	<b>Main activities</b>
INTO UEA LLP (8)	England & Wales	50%	Educational services
INTO University of Exeter LLP (1)	England & Wales	50%	Educational services
INTO City LLP (1)	England & Wales	50%	Educational services
INTO Queens LLP (9)	Northern Ireland	50%	Educational services
INTO Oregon State University Inc (10)	Delaware, USA	50%	Educational services
INTO USF Inc (7)	Delaware, USA	50%	Educational services
INTO CSU LLC (11)	Colorado, USA	50%	Educational services
INTO New York at Drew LLC (13)	Delaware, USA	50%	Educational services
INTO Mason LLC (13)	Virginia, USA	50%	Educational services
INTO Stirling LLP (14)	Scotland	50%	Educational services
INTO UAB LLC (16)	Alabama, USA	50%	Educational services
INTO Suffolk LLC (17)	Delaware, USA	50%	Educational services

## 22 Subsidiaries and joint ventures of the group (continued)

- \* exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s479A
- \*\* exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s394A in respect of Dormant Companies
- 1 Registered address: One, Gloucester Place, Brighton, BN1 4AA
- 2 Registered address: Unit 1007, 10/F, Wing On Kowloon Centre, No. 345 Nathan Road, Jordan, Kowloon, Hong Kong
- 3 Registered address: Suite 400, 8910 University Center Lane, CA 92122
- 4 Registered address: Carrera 15, No.88-64, Edificio Torre Zimma, Oficina 707, Bogota, Cundinamarca, 11011 Colombia
- 5 Registered address: Office 2002, Teem Tower, Teemall, 208 Tianhe Road, Tianhe District, Guangzhou, 510620 P.R. China
- 6 Registered address: Suite 305, 1610 Medical Drive, Pottstown, PA, 19464
- 7 Registered address: 4202, East Fowler Avenue, Tampa, FL, 33620
- 8 Registered address: The Registry, University of East Anglia, Norwich, Norfolk, NR4 7TJ
- 9 Registered address: 2-8 Lennoxvale, Belfast, Co. Antrim, BT9 5BY
- 10 Registered address: 1701 SW Western Blvd, Corvallis, OR 97333
- 11 Registered address: 150 Old Main Drive, Fort Collins, CO, 80523
- 12 Registered address: 26 Madison Avenue, Madison, NJ, 07940
- 13 Registered address: 4352 Mason Pond Drive, Fairfax, VA, 22030
- 14 Registered address: University of Stirling, Stirling, FK9 4LA
- 15 Registered address: Suite 110, Beracha Hall, 3721 Laclede Avenue, St Louis, MO, 63108
- 16 Registered address: Floor 2, 917 13th Street South, Birmingham, AL, 35294
- 17 Registered address: 13 Kruegal Hall, Pullman, WA, 99164
- 18 Registered address: 304 S University St, Fell Hall, Normal, IL 6171
- 19 Registered address: 110/111, Block 17, Wencui Plaza, Suzhou Dushu Lake Science Education and Innovation District
- 20 Registered address: C/O Corporation Service Company, 80 Stat Street, Albany, New York, 12209
- 21 Registered address: Bahnhofstrasse 7, CH-6300 Zug, Switzerland
- 22 Registered address: Ground Floor and Mezzanie, Anh Minh Tower, No 56 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
- 23 Registered address: Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle, DE 19808
- 24 Registered address: Level 27, 2 The Esplanade, Perth, Western Australia WA 6000, Australia
- 25 Registered address: 623, 6th Floor, Commercial Complex, DLF Tower-B, Jasola, South Delhi, India 110025
- 26 Registered address: Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3 Bangsar South, No. 8 Jalan Kerinchi, Kuala Lumpur, Malaysia
- 27 Registered address: Unit Avenida Calle 26 59 51 Torre A Oficina 311, Bogota, Colombia
- 28 Registered address: Puri Indah Financial Tower (PIFT) Unit 7, Level GF, Jalan Puri Lingkar Dalam, Desa/Kelurahan kelapa dua, Kec. kebon jeruk, Kota Adm. Jakarta Barat, Provinsi DKI Jakarta, Kode Pos: 11610, Indonesia
- 29 Registered address: Kazakhstan, Almaty city, Medeu district, Dostyk avenue, bld. 188, postal code 050000
- 30 Registered address: 571 RSU Tower, 8th Floor, Room 805, Sukhumvit Road, North Klongton Sub-district, Wattana District, Bangkok.
- 31 Registered address: 114 First Floor, Block No. 03, Dubai Knowledge Park, Dubai, United Arab Emirates
- 32 Registered address: Office #1, 29-D, Main Gulberg Off Main Boulevard Lahore
- 33 Registered address: Adol House, 15 CIPM Avenue, Central Business District, Alausa, Lagos, Ikeja, Lagos State

### 23 Contingent liabilities

On 15th July 2022 proceedings were filed in a US court seeking a declaratory judgment in relation to a commercial dispute to which an INTO group entity is a party. INTO group opposes the declaration (which has subsequently been dropped) and has filed a claim for damages against the parties who brought this action. The same party has also filed another claim in relation to costs incurred in relation to recruitment of students being stopped for this entity. INTO have provided for legal fees up to 31 July 2023 in relation to this ongoing litigation. Further legal fees in relation to this case are expected to be incurred in FY24 in respect of this dispute and have been included in the forecasts for this period. Full provision has been made in FY23 against the debt position of INTO group in relation to this claim. The total provision amount has not been disclosed in relation to this item as it is deemed it would be prejudicial to do so.

### 24 Financial information for individually significant joint ventures of the group

INTO UEA LLP	2023 £'000	2022 £'000
<b>Share of assets</b>		
Share of current assets	3,136	3,804
Share of fixed assets	538	553
	3,674	4,356
<b>Share of liabilities</b>		
Liabilities due within one year	(9,887)	(4,960)
Liabilities due after one year	-	(3,500)
<b>Share of net liabilities</b>	<b>(6,213)</b>	<b>(4,104)</b>
Share of turnover	4,003	4,303
Share of operating loss	(1,972)	(1,579)

## 25 Acquisition

There were no acquisitions or disposals in the current year.

In the prior year, in 1 August 2021 the group acquired an additional 50% shareholding in INTO SLU LLC, which took the group's overall shareholding to 100%.

The group has therefore used acquisition accounting to account for the purchase, and the results of the LLP have been consolidated into the group's results from that date.

The following tables set out the fair values of the identifiable assets and liabilities acquired:

	Fair value £'000
Tangible assets	114
Intangible assets	317
Cash and cash equivalents	1,016
Trade and other debtors	1,645
Trade and other creditors	(3,081)
<b>Net liabilities acquired</b>	<b>11</b>

No consideration was paid as a result of this transaction. The effect of the transaction within the group financial statements was to dispose of the group's share of liabilities in joint ventures of £6k and acquire net liabilities of £11k, and to generate additional goodwill of £69k, as a result of the additional capital acquired for zero consideration.

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