

Bright Topco Limited
Annual report and group financial statements
for the year ended 31 August 2024

Bright Topco Limited

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Bright Topco Limited

Company information

Directors	Graham Stuart Mark Gaddes Andrew Matthew Payne Marc-Edouard Jacques Henri Meunier Jonathan Barlow Rosen Joanna Clare Preston-Taylor
Company number	13257483
Registered office	BPP House Aldine Place 142-144 Uxbridge Road London Greater London W12 8AA
Independent auditor	Deloitte LLP Statutory Auditor
Bankers	Barclays Bank plc 27 Soho Square London W1D 3QR
Solicitor	Paul Weiss 20 Air Street London W1B 5AN

Bright Topco Limited

Strategic report

For the year ended 31 August 2024

Introduction and ownership

The parent of the Company is Bright Holdings S.a.r.l. registered at Rue Eugene Ruppert 20, Luxembourg 2453 and the ultimate controlling party is a Group of investment funds managed by TDR Capital LLP (registered in the United Kingdom). TDR Nominees 2016 Limited holds the investment on behalf of TDR Capital IV Portfolio LP. TDR Capital ("TDR") is a leading private equity firm with over €15 billion of assets under management. TDR typically acquire majority stakes in strong, market-leading European companies with potential for robust growth and resilience through economic cycles.

On 6 July 2021 the entire issued share capital and voting rights in BPPH1 Limited was acquired by Bright Topco Limited indirectly through Bright Acquisitions Limited (registered in the UK), with the ultimate acquirer being TDR. Previously the Group had been part of Vanta Education, a global education network ultimately owned by funds managed by Apollo Global Management and The Vistria Group.

Under TDR's ownership the Group has completed five further acquisitions. On 27 October 2021 the entire issued share capital and voting rights in Project Dahl Topco Limited (Estio Training) was acquired. Estio Training is one of the largest independent provider of IT and digital apprenticeships in the UK, with core programmes that include infrastructure technology, data analysis, digital marketing and software.

On 16 June 2022 the entire issued share capital and voting rights in Softech UK Holdings Limited, Softech DACH Holdings Limited and Softech Benelux Holdings Limited (collectively known as Firebrand) was acquired. Firebrand Training is a leading provider of IT and digital training with industry-recognised certifications, operating across the UK, DACH, Nordics, and Benelux regions and with a physical presence in the UK, Germany, Denmark, and the Netherlands.

On 7 February 2023 Northside Acquisitions Limited, a subsidiary of BPP Holdings Limited, acquired the entire issued share capital of the Digital Marketing Holdings Limited group of companies. The group of companies represent the Digital Marketing Institute who are an awarding body and responsible for setting the global standard in digital marketing certificates and have certified over 55,000 graduates globally in their marketing and selling qualification portfolio.

On 12 April 2024, Verano Acquisitions Limited, a subsidiary of BPP Holdings Limited, acquired the entire issued share capital of Buttercups Training Limited. Buttercups Training is a market-leading training provider delivering high-quality programmes to pharmacists, pharmacy technicians, and support staff working in hospitals, community pharmacy and primary care.

On 8 July 2024, the entire issued share capital of Little Collins Holdings Ltd (with subsidiaries Acsenda School of Management and Arbutus College), EduCo US Inc and CIC Higher Education were acquired. The group of companies provide programmes and training in accounting, business, IT, business administration, hospitality, marketing and international trade, while operating in North America, Canada and Australia.

Results and dividends

The trading results for the year ended 31 August 2024, and the Group's financial position at the end of the year, are shown in the attached financial statements.

The directors have not recommended payment of a final dividend (period ended 2023: £nil).

Principal activity of the business

Bright Topco Limited ("the Company") is the holding company for BPP Holdings Limited and its subsidiaries ("the Group"). The principal activity of the Group is to provide education and training services in law, finance and accountancy, technology and digital, business, nursing and health and people and skills development both through relationships with corporates (B2B) and directly to consumers (B2C).

Principal activity of the business (continued)

The Group is a global leader in education with delivery expertise spanning many different modes and academic levels, including apprenticeships, university courses, professional qualifications and professional development programmes. The Group has a track record of c50 years in the sector, educates over 110,000 learners each year and works with over 9,000 businesses across practice and industry, many of which are on an exclusive basis. The Group delivers training programmes under multiple brands including BPP University, BPP Professional Education, Firebrand, Estio, the Digital Marketing Institute, Buttercups Training, Acsenda School of Management, Arbutus College and CIC Higher Education.

The Group works closely with employers and professional bodies to ensure programmes offer practical learning with skills development as a focus, which is relevant and as future facing as possible. The programmes utilise the Group's innovative and unique learning framework, focusing on the development of skills, assessment and career success, and aligning the educational experience to focus on employability and career progression.

The Group also provides support through online communities, societies and a student association to promote engagement and satisfaction amongst learners. The student voice representative voices feedback to improve the overall student experience, whilst building connections and networks. This led to a 93% engagement for students in 2024.

Our courses are built by industry experts and feature a variety of study options wherever possible. Our programmes are designed to create and provide value for learners and businesses. That value is derived through helping employers to develop and upskill their staff, in addition to helping learners achieve academic success and progress in their chosen careers. Most of our programmes are delivered through online and face to face courses, or via blended delivery methods. Our delivery locations are based primarily within the United Kingdom, Canada and Australia, in addition to locations in certain European countries. Further information can be found at www.bpp.com/about-bpp.

Strategy

Under the stewardship of the Group's management team and with the support of TDR, the Group has undertaken a strategy to establish themselves the global market leader and trusted partner in diversified education solutions, empowering individuals worldwide to build meaningful careers.

The mission of the Group is to build careers through education, by providing high quality and relevant education programmes to learners, and in turn addressing the global skills gap across the relevant disciplines that the Group operates within. The Group strives to innovate, inspire, and set new standards in education, making a lasting impact on lives and industries globally. The core elements of our strategy are as follows:

- Working closely with employers and professional bodies to design programmes that meet and address their ever-changing needs and requirements
- Designing and delivering programmes that are career focused and outcome driven for our learners - emphasising the alignment of the educational experience to ensure it focuses on skills development and the career enhancement of our learners, from early careers to C-suite executives
- Organic and acquisitive growth of the Group, through expansion of market share, entry into complementary verticals and markets which enhance our ability to service both our learners and client's needs
- Practice focused, cutting edge delivery using the latest technologies and Artificial Intelligence (AI) to not only deliver our programmes, but to also personalise and streamline the learner journey and educational experience
- Innovation; digital transformation through developing a data and AI-driven operational platform and innovative educational solutions
- Develop, engage and inspire our people to provide the best experience for our learners and clients
- Continue to achieve double digit growth over the next five years.

Strategic and financial review

Consolidated turnover from continuing operations for the year ended 31 August 2024 is £401.5m (31 August 2023: £328.6m) with an associated Group operating loss of £10.4m (31 August 2023: £22.6m). The Group made a loss before tax of £70.6m (31 August 2023: £71.0m) which included interest charges of £62.4m (31 August 2023: £52.9m). The operating loss is driven by the amortisation of intangibles of £88.9m (31 August 2023: £84.0m). When amortisation is excluded adjusted operating profit is £78.5m (31 August 2023: £61.4m).

Review of financial position including capital structure

At 31 August 2024 the Group net assets position was £68.1m (2023: £135.7m) with an associated net current liability position of £31.5m (2023: asset £10.8m). The consolidated cash position was £43.0m (2023: £79.0m), with the group continuing to be cash generative.

The detailed financial position can be seen at the Group statement of financial position on page 30.

Summary statement of financial position

	2024	2023	£ change
	£'m	£'m	£'m
Non current assets	860.4	781.0	79.4
Current assets (excluding cash)	98.1	93.1	5.0
Cash and cash equivalents	43.0	79.0	(36.0)
Current liabilities	(172.8)	(161.3)	(11.5)
Bank loans and overdrafts	(404.9)	(317.2)	(87.7)
Non current liabilities less Loans	(355.7)	(338.9)	(16.8)
Total Net Assets	<u>68.1</u>	<u>135.7</u>	<u>(67.6)</u>

The significant movements in the statement of financial position are outlined below.

The non-current assets increased by £79.4m due to new investments/additions during the year as noted in introduction section above.

The increase in current assets (excluding cash) of £5.0m is largely due to £6.6m of accrued income being classified as a non current asset. Other current assets remain consistent year on year.

The cash decrease of £36.0m is the result of trading operations being more than offset by investments in subsidiaries and the non current assets.

Current liabilities have increased by £11.5m driven mostly by a decrease of deferred income from £78.0m to £55.6m, which is the result of a short term impact on student enrolments in the latter part of the financial year due to uncertainties in government policy on student immigration.

Review of financial position including capital structure (continued)

Bank loans and overdrafts increased on 8 July 2024, as new Senior Term Facilities Agreements were entered into by BPPH2 Limited to make available £54.7m, \$17.5m (USD) and \$33.7m (CAD), with interest to be charged at an all-in cost of daily SONIA (for GBP loan), CDOR (for CAD Loan) and SOFR (for USD Loan) plus 6.25%. This is in addition to the Senior Facility of £325.0m entered into previous years. All facilities were fully drawn and have terms whereby no capital repayments would arise until the end of the term of the facility (which is seven years from the initial utilisation). The key terms of the Group's borrowing facilities at 31 August 2024 are summarised below:

	Loan Amount	Maturity	Interest	Amount drawn
Senior Term Loan 1	£255.0m	02/03/2028	6.75% + SONIA	£255.0m
Senior Term Loan 2	£20.0m	02/03/2028	6.25% + SONIA	£20.0m
Senior Term Loan 3	£24.0m	02/03/2028	6.25% + SONIA	£24.0m
Senior Term Loan 4	£26.0m	02/03/2028	6.50% + SONIA	£26.0m
Senior Term Loan 5 - GBP	£54.7m	02/03/2028	6.25% + SONIA	£54.7m
Senior Term Loan 5 - CAD	\$33.7m	02/03/2028	6.25% + CDOR	\$33.7m
Senior Term Loan 5 - USD	\$17.5m	02/03/2028	6.25% + SOFR	\$17.5m
Super senior revolving credit facility	£25.0m	16/03/2026	2.75% + SONIA	£Nil

The senior term loans 1-5 each accrue interest to be payable on a quarterly basis in arrears. There are no significant covenants attached to the debt. However there are limitations on dividends, acquisitions and disposals and the incurrence of any additional indebtedness.

The super senior revolving credit facility ("SSRCF") was not drawn at the date of the statement of financial position and remains undrawn subsequent to the year end. The SSRCF is in place to enable the Group to be resilient during any challenging economic periods.

Statutory disclosures relating to creditors and loans and overdrafts can be found at notes 19 and 20.

Net Debt Reconciliation

For explanatory purposes net debt is defined as total borrowings (being loans and borrowings excluding arrangement fees less cash and cash equivalents). For a full statutory view of net debt see note 32.

	2023	Cash Flows	2024
	£'m	£'m	£'m
Cash and cash equivalents	79.0	(36.0)	43.0
Loans (excluding arrangement fees)	(325.0)	(87.7)*	(412.7)
	<u>(246.0)</u>	<u>(123.7)</u>	<u>(369.7)</u>

See statement of financial position discussion above for commentary on movement of cash and loans.

*FX rate applied at balance sheet date

Key performance indicators

The financial key performance indicators (KPIs) reviewed and monitored by management on a regular basis have been identified as turnover and operating profit adjusted for amortisation, a discussion of which can be found in the strategic review.

The key non-financial KPIs are seen to be student volumes and regulatory compliance.

Student volumes

There are various student enrolment metrics across the Group, however as BPP University Limited is the largest entity from a revenue perspective in the Group with turnover of £242.7m (c61% of the Group total), management monitor this as a key KPI when assessing the Group's performance:

		2024	2023	% change
University total enrolments (1)	No.	37,587	30,365	24%

(1) All enrolment numbers are in line with those submitted to the Higher Education Statistics Agency (HESA) and are aligned to the HESA definition of enrolments.

Total student enrolments within BPP University Limited have increased by 24% across Law, Business, Nursing and Technology post graduate programmes as the Group continues to succeed in implementing growth plans. Student enrolments continue to be robust year on year and deliver steady cash flows to the Group.

Regulatory compliance

The following are the key regulatory bodies where Group compliance is required in order for trade to continue:

- The Office for Students (OfS);
- Office for Standards in Education (Ofsted);
- Education and Skills Funding Agency (ESFA);
- United Kingdom Visas and Immigration (UKVI).

Compliance with these bodies is vital to ensure that students can continue to be enrolled and the Group can fulfil its strategy. At the date of this report the Group continues to meet the ongoing requirements for the relevant regulatory bodies.

Further discussion on risk management of regulatory compliance can be found under the key risks and uncertainties section of the report.

Key risks and uncertainties

Outlined below is a description of the principal risk factors the directors consider as impacting the Group. Not all factors are within the Group's control, and other factors besides those listed below could also impact the Group.

Economy

There is a lot of uncertainty over how the UK economy might deal with current global and national market forces and the directors are monitoring the situation closely to ensure they are able to respond on a timely basis. Changes in the broader economic market can have an impact on the Group's business. Inflation creates pressure on costs which puts pressure on the Group's profit. With that in mind the Group continues to maintain a flexible resourcing model and monitor property spend. An example of a change impacting the Group is the cost of living crisis.

Such risks could have a negative impact on student enrolment, delivery costs and turnover. The Group therefore seeks to mitigate risks by closely monitoring the economic outlook caused by local and global economic events and maintaining a flexible resourcing model so that the Group is able to respond to changes in economic and political conditions. There is also regular review and consideration of the most appropriate operating models to strike the correct balance between efficiency and customer experience.

Key risks and uncertainties (continued)

Competition

The Group primarily operates in the UK but also in international markets that are highly competitive and therefore the Group competes with other proprietary companies, and in certain circumstances, with government supported schools and institutions. Competitive factors for the Group vary by programme, subject and delivery channel as well as geography. Competitive factors generally include the following:

- active and relevant curriculum development that considers needs of employers and regulatory requirements;
- breadth of reliable and high-quality programmes and classes;
- qualified and experienced faculty and coaches;
- brand reputation of the institution and of the programmes and classes;
- ability to provide flexible and convenient access to programmes and classes; and
- affordability and access.

The Group addresses these risks by maintaining high standards of education and by closely monitoring the market, economic conditions and competitor actions specific to the market in which each subsidiary of the Group operates.

Compliance and regulatory risk

The Group's subsidiaries are subject to regulatory requirements and must be approved by relevant regulatory authorities under applicable local laws. In some cases they require accreditation. The Group addresses these risks by working to maintain such approvals and/or accreditations and keeping abreast of current regulations that may impact the operation of its business. Management has implemented internal control processes related to compliance with the relevant regulations and an infrastructure to manage this regulatory risk, which is under regular review and evolves as required.

The Group operates in some regulated markets where changes to Government policy, such as changes to student fees or the availability of student funding, can have an impact on our business.

The Group continues to provide all relevant information to the Office for Students (OfS) and the Higher Education Statistics Agency (HESA) and the UK Visas and Immigration (UKVI). As the business continues to expand into the apprenticeship training market there is ongoing exposure to regulatory risk with the requirement for regular Office for Standards in Education (Ofsted) and Education and Skills Funding Agency (ESFA) reviews.

Management has strived to implement an infrastructure with a view to managing this regulatory risk and will evolve as required. Additionally, management reviews and updates the control processes in place relating to compliance with the relevant regulators on a regular basis. The Group has a documented governance structure, policies and procedures in place, which are regularly reviewed to ensure ongoing compliance.

The Group continued to meet the requirements of key regulators with regular external reviews from various regulatory bodies each financial year.

Key risks and uncertainties (continued)

Inherent risks related to operating in a variety of international markets

The Group operations are predominantly centred in the United Kingdom but also has a presence in Europe, the United States of America, Canada, Australia, China, Hong Kong, Singapore, and Malaysia where the focus is mostly on international recruitment. As such, risks inherent in conducting businesses in various foreign jurisdictions arise, including:

- currency exchange rate fluctuations;
- monetary policy risks, such as inflation, hyperinflation, and devaluation;
- potential political and economic instability in the countries where the Group operates;
- compliance with anti-corruption regulations such as the UK Bribery Act of 2010;
- local labour laws that make it more expensive and complex to negotiate with, retain or terminate employees; and
- increased risk of acts of terrorism, war, epidemics and natural disasters.

These risks could have a negative impact on student enrolment, currency fluctuation and Group performance. The Group therefore seeks to mitigate these risks by closely monitoring the economic outlook caused by local and global economic events, and maintaining flexible resources so that each subsidiary within the Group is able to respond to changes in economic and political conditions.

Credit risk

Credit risk refers to the risk that a customer will default on any type of debt by failing to make payments in accordance with general terms. Members of the Group contract with individual students and for certain programmes, corporate clients. Each subsidiary has mechanisms and policies in place to monitor potential defaulters with corporate clients undergoing credit checks and in a number of cases individuals pay a percentage of their course fees in advance. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity, financial market and cash flow risks

The liquidity and cash flow of the Group could have a material effect on the operational and financial condition of the Group.

As noted in the strategic review on page 5 there is a Senior Term Facilities Agreement with total of £379.7m, \$17.5m (USD), \$33.7m (CAD) The terms of this has £255.0m with interest charged at daily SONIA plus 6.75%, £98.7m with interest charged at daily SONIA plus 6.25%, \$33.7m (CAD) with interest charged at daily CDOR plus 6.25%, £26.0m with interest charged at daily SONIA plus 6.50% and \$17.5m (USD) with interest charged at daily SOFR plus 6.25%. There is also a revolving credit facility of £25 million (increased from £15 million on 1 May 2024) available at BPP Holdings Limited. This continues to be in place for general corporate purposes and remained undrawn at 31 August 2024. There are no covenants attached to the facility, so no ongoing compliance requirements.

The Group both produces and monitors short term and longer term cashflow forecasts and continues to track cash receipts on a daily basis, as well as stress testing assumptions on interest rates to see the impact on outcomes and plan accordingly. The Group manages its financial risk through a cash pooling arrangement between its UK subsidiary companies, meaning that they can lend and borrow funds between them where required. The Group uses this facility as an efficient treasury management tool to manage its liquidity risk. The Group continues to review deposit investments for any excess cash to maximise liquidity. The Group continues to monitor the uncertainty in Bank of England base rates as this impacts the quantum interest payments to be made, acknowledging that the base rate remained fairly static in the latter part of 2024.

All of the above activities and review serves to protect the Group liquidity and solvency positions and as the Group's underlying profit increases, the headroom on net profit and interest repayments will increase.

Key risks and uncertainties (continued)

Reputational risk

BPP's brand is one of the most successful and best established brands in the global training and professional education market and represents a key element of the Group's overall marketing and positioning. The acquired subsidiaries, Estio, Firebrand, DMI, Buttercups Training, Acsenda School of Management, Arbutus College and CIC Higher Education are well established in their relevant markets. To prevent brand and reputational damage we have many quality assurance mechanisms to ensure that our teaching and course materials remain of the highest standard.

Market risk

The Group has in place an on-going process for identifying, evaluating and managing market risks that it may be exposed to.

The Apprenticeship Levy continues to represent a significant market opportunity. However, this also represents a risk to the Group as it seeks to grow sustainably in the face of this market opportunity. It is also open to political change on both funding and course classification. The Group seeks to manage this by maintaining close relationships with key parties involved in policy and funding. Additionally we continue to have a strong focus on our cost base and a diversified and evolving product portfolio to help mitigate the risk that any enrolment numbers were impacted by government policy.

Political risk

The Group holds a Student Sponsor license with the UK Visa and Immigration Office (UKVI), which enables the provisioning and onboarding of international students into the UK. A portion of the Group's revenue is therefore exposed to government policy on immigration. The Group seeks to mitigate this through a strong track record of compliance with the regulations and maintains a transparent approach with the UKVI. Additionally we continue to have a strong focus on our cost base and a diversified and evolving product portfolio to help mitigate the risk that any enrolment numbers were impacted by immigration policy.

Cyber and data security

The Group holds business critical and confidential information electronically. Unauthorised access, loss or disclosure of this information may lead to regulatory penalties, disruption of operations, reputational damage and legal claims. The Group has an Information Security Committee who meet regularly to discuss and manage key matters including cyber security to update processes and procedures as required. Insurance policies are also held against this risk and systems are protected by antivirus software, scanning solutions, multi factor authentication and end point detection and response which are kept up to date.

Environmental

The Group is committed to achieving Net Zero emissions by 2050. This includes committing to a decarbonisation plan aligned to a net zero pathway, with interim science-based aligned targets.

See the Director's Report for further commentary on energy and carbon reporting on emissions and below for further discussion on net zero emissions plans and activities.

To support our 2050 Net Zero commitment, we have set an interim 40% reduction target by 2030 for scope 1 and 2 emissions.

Whilst we fully understand our scope 1 and 2 emissions and have made strides in gathering data in our most impactful scope 3 categories, we are striving to fully engage our supply chain and map out a more comprehensive picture of our scope 3 emissions. We appreciate the value of fully understanding our environmental impact so that we can formulate a smooth and efficient transition to net zero.

Environmental (continued)

Environmental Management and Strategy

- We are proud to operate an ISO14001:2015-certified Environmental Management System, which is managed by our Head of Health, Safety and Environmental under the executive sponsorship of the Chief Property Officer
- We have an Environmental Policy in place. This is reviewed annually, signed off by the Policy Committee and available to all staff and stakeholders
- Regular ESG reports are presented to the Board for discussion and activities for approval
- We have established an ESG Committee which meets at least bi-annually to assess our environmental performance, and initiate improvement opportunities
- We have established a staff "Sustainability Champions" network across our buildings and operations. Representing a cross-section of departments and areas of expertise, these Champions take responsibility for driving progress and highlighting ways in which we can improve our performance

Sustainability in Education

- The Group has produced a range of tailored ESG courses, from an overall introduction to ESG to the statutory requirements of financial reporting and the opportunities of sustainable investment. These courses are available to all employees within the Group
- Sitting within the Apprenticeship of the Year Awards, our Sustainability Champion Award recognises those who are engaging with ESG matters as part of their apprenticeship
- Topics of sustainability are considered within most taught programmes across the Group.

Key focus areas to support our Net Zero commitment

The Group are currently in the process of setting our decarbonisation plan to deliver against a Net Zero commitment. In addition to the Group's ongoing activities, the Group also plans to implement the following measures:

Scope 1&2 Emission Reduction

- We are engaging with the Energy Savings Opportunity Scheme (ESOS) to implement energy reduction measures as expert guidance recommends. Audits in 2024 highlighted areas for potential improvement and savings.
- In 2024, we introduced secondary glazing to one of our buildings. Recognising the impact of this on efficiency and educational environment alike, we are exploring whether we can install secondary glazing in buildings across the Group.
- We are optimising classroom scheduling and back-office operations to ensure our buildings operate efficiently.
- We have committed to introducing an asset level energy monitoring programme to assist us with reducing electricity use in one of our major centres. The findings from this programme will guide future energy savings schemes throughout our estate.

Environmental (continued)

Scope 3 Emission Initiatives

- 96% of our staff have moved to a more flexible working approach through hybrid working, reducing emissions associated with commuting. We will continue to reduce employee commuting by offering flexible working patterns
- We are formalising carbon analysis into all major procurement projects, in keeping with a centralised policy which emphasises energy efficiency
- We are working to better embed environmental sustainability into our contract terms and conditions with our suppliers
- We are integrating sustainability into BPP's wider culture through a dedicated environmental page and including sustainability in job listings
- We are phasing out paper, where practicable, offering a digital-first library offering, and multiple paperless programmes
- We have removed disposable cups at water machine stations, instead encouraging the use of reusable drinking cups and bottles
- We promote online meetings for internal calls and appraisals, external meetings and first interviews - eliminating unnecessary travel
- We have digitised our administrative processes, saving on paper and minimising waste

Our People

Across the Group, we put people at the heart of what we do. We strive to create a friendly, engaging and positive place to work, live our values and have an inclusive culture where colleagues can be themselves.

Colleague Engagement

Across the Group, 'Everybody Matters' and we engage with colleagues every year with our Culture Survey, in 2024 we invested in a new partnership with Culture Amp, to ensure we have an effective and engaging way to collect employee feedback. This allowed us to run a global survey for the first time across the Group.

We also encourage colleagues to engage in employee networks as we strive to build communities across the Group. These networks cover our equality, diversity and inclusion spectrum and are available for colleagues to join, and we encourage regular engagement from these community groups. We celebrate our differences and have 'Trust' and 'Respect' for ourselves and each other.

We are 'Stronger Together'. We celebrate success and recognise performance, encouraging managers to regularly acknowledge colleagues who have gone above and beyond through various schemes existing across the Group. All new colleagues are welcomed through our new in-person corporate induction, which was introduced in 2024 and is hosted by Group senior leaders.

Our People (continued)

Colleague Engagement (continued)

We 'Embrace Change'. We value the importance of career progression and development. We promote continuous development with our Performance and Career Development (PCD) conversations, encouraging employees to engage in meaningful conversations across the year with their managers. Our employee engagement scores for line managers are positive, demonstrating that our managers are providing feedback, looking after careers and focussing on their teams' wellbeing.

We launched access to In Rehearsal, a learning platform that allows colleagues to explore hundreds of short, powerful videos from industry experts at a click of a button. We advertise new opportunities internally and we support manager development through our 'Elevate' and 'Leading with Purpose' development programmes.

Colleague Reward

We regularly undertake benchmarking exercises to ensure salaries are aligned to market rates. We have an annual pay review, where pay increments are based on the cost of living and company performance.

We are proud to be a real living wage employer. Apprentices received at least the National Living Wage, which is above the pay requirements for Apprentice roles.

We offer a wide range of benefits to all colleagues that cover financial, health and work-life balance wellbeing. Benefits offered to all staff include, but are not limited to, pension, private health, life and sickness insurances, work life balance wellbeing such as sabbatical, annual leave, volunteer days, and flexible working.

In 2024, the Group undertook a full market review of its benefits package to ensure consistency and competitiveness for its colleagues. Results of the review saw enhancements to annual leave, maternity and paternity pay and the introduction of a new long service award initiative.

The Group annually reviews the performance of its Group pension scheme which received a "high" performance rating in 2024.

Recruitment

As a Group "Embracing Change", we are excited to announce the launch of Tribepad, our new Applicant Tracking System (ATS), designed to transform the way we manage recruitment. Previously, the recruitment process relied on manual approvals, spreadsheets, and time-intensive scheduling, which became unsustainable as recruitment volumes grew. With Tribepad, we now have a streamlined, automated system that enhances efficiency and accuracy and has enhanced our candidate experience

Tribepad introduces simpler and more automated ways to book interviews, a dedicated agency portal to optimise engagement and reduce costs and improved data exchange between the ATS and HRIS systems. These advancements enable smoother hiring, ensure GDPR compliance and improve the overall quality of service. By replacing outdated processes with cutting-edge technology, Tribepad empowers our team to deliver a more efficient, secure, and impactful recruitment experience for candidates and colleagues alike.

Our People (continued)

People development

Since January 2024, over 300 new employees from across the BPP Group have participated in the revamped Face-to-Face Corporate Induction, marking a significant transition from virtual sessions to an engaging, in-person 4.5-hour experience. Held in Manchester, London, and Birmingham, the induction immerses new hires in BPP's culture, strategy, and values, while also offering valuable insights into career development opportunities and employee benefits. A key part is a presentation by a member of the Group leadership team, covering BPP's history, values, education wheel, subsidiaries, strategy, and vision. This initiative, shaped by feedback from a focus group of new starters, is designed to be employee-centric, featuring interactive activities, networking sessions, and tours of rebranded office spaces. With a focus on creating an engaging and inclusive onboarding experience, BPP aims to inspire enthusiasm, enhance employee engagement, and promote long-term retention.

Considerable progress has also been made in strengthening management capabilities across the organisation. The new "Manager Essentials" training programme, now available to all managers, ensures consistency and fosters skill development throughout the company. In addition, targeted initiatives like the Aspire, Elevate, and Leading with Purpose programmes have successfully supported the development of 75 aspiring managers, 80 new managers, and 40 senior managers, respectively.

Succession planning has been a key priority, particularly for Exec-2 level individuals poised for senior leadership roles in the next three years. This process considers performance, potential, and aspirations, and has led to the creation of a senior talent pool and successor list, alongside their development needs and potential external talent gaps. Career conversations have been held to offer tailored support, including 360-degree feedback, coaching from qualified internal BPP coaches, executive sponsorship, and opportunities to attend talent networking events.

Our Employee Resource Groups

We at BPP celebrate diversity by bringing together people from varied backgrounds, skillsets, and perspectives to build a dynamic and vibrant community for our students, learners, clients, and employees. Our commitment to inclusion is deeply rooted in our values of **Trust and Respect, Everybody Matters and Stronger Together** fostering a culture where all employees feel psychologically safe, empowered to innovate, and experience a sense of belonging.

Our inclusive culture is supported by six employee-led resource groups, with over 55% of our workforce actively engaged in one or more:

Diff-Ability: Provides a supportive network for colleagues with disabilities, neurodiversity, physical or mental health conditions, or those affected by disability.

CHEER: Focused on celebrating cultural diversity, CHEER (Culture, Heritage, Equity, Ethnicity, and Race) creates safe spaces to share experiences, drive inclusion, and advocate for change.

Women's Network: Offers a safe and supportive space for women to connect, network, and share insights.

Working Families: Supports parents and carers by offering guidance, a platform to share experiences, and tools to balance family and work life.

Unity: Provides support and advocacy for LGBTQ+ colleagues and allies, addressing specific workplace and personal challenges in a secure and welcoming environment.

Wellbeing Community: Focuses on all aspects of wellbeing-physical, mental, financial, and lifestyle-through online engagement, events, and peer support sessions.

These initiatives reflect our ongoing commitment to inclusion, ensuring every voice is heard and valued.

Diversity and Inclusion

The Group is an equal opportunities employer, and we are committed to ensuring fair and equal employment regardless of personal status. To prohibit any form of discrimination, all colleagues undertake the annual compliance module 'Inclusive Behaviours'. In addition to this, all recruiting managers undertake the module 'Recruiting for Brilliance', which includes sections on equal opportunities and tackling unconscious bias.

We celebrate difference at the Group; bringing together people from different backgrounds, skillsets, and perspectives to create an energised and dynamic community of students, learners, clients, and employees.

The Reverse Mentoring Scheme supports organisations to attract a more diverse range of employees from under-represented groups. Flipping the traditional mentoring concept, students mentor senior leaders by reviewing their organisation's approach to ED&I. Using the Group's diverse student body, the Scheme aims to increase access to professional careers, using future professionals to influence and lead change and to give under represented individuals a voice. The Scheme is offered free of charge and, since its inception in 2022, has partnered 145 student mentors with 34 organisations.

In 2024, the Group undertook a Race Equality Survey to understand barriers and issues that may exist across the company. Whilst the results were very encouraging, the survey highlighted some opportunities for the Group to further enhance its inclusion agenda. These initiatives will be implemented through 2024 and 2025.

Gender Diversity

The table below provides a breakdown of our colleagues by executives, senior managers and employees:

	2024		2023	
	Male	Female	Male	Female
Executive Committee	9	4	8	4
Senior Manager	26	30	12	11
Employees	1,140	1,684	1,006	1,403
	1,175	1,718	1,026	1,418

An executive is defined as a member of the Group Executive Committee.

A senior manager is defined as a member of the Group's Leadership Team ('GLT') or a senior leader within a subsidiary that is not part of the GLT. The GLT was expanded during 2024 to include a much broader representation across the Group. Appointments to the GLT are based on job role, along with an individual skills experience and knowledge required to give constructive challenge and achieve effective decision-making.

Gender Pay Reporting

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Group's gender pay reporting for 2023 is published on the website <https://www.bpp.com/about-bpp/gender-pay-report>. This only incorporates the companies for staff who were members of the group at the date of the report.

Currently, there is a gender pay gap of 12.1% (mean) / 13.4% (median). This is a slight increase compared to 2022 (11.8% (mean)/11.1% (median)).

The pay quartile reporting shows we have a 53% female representation in the upper quartile. However, the Group demographic is 61% female. The Group has put in place significant people initiatives that will have a positive impact over time. The Group wants to ensure that we have fair and transparent processes and policies, a gender balanced culture and that we remove any obstacles currently influencing progression. We encourage a flexible and positive work environment and future focussed career development conversations.

We continue to review our policies and practices to ensure they are fair, and this includes actively reviewing decisions around our annual performance, pay and bonuses.

Note the next gender pay gap report relating to 2024 was published in April 25.

Our People (continued)

Social and Community- social impact team

The Group's commitment to social value includes what we do as our core purpose as an education provider. But it is also what we do beyond our core purpose. From environmental stewardship to social justice advocacy, our social impact activity is far reaching and includes legal advice services, outreach initiatives, sustainability projects and wellbeing and mental health support.

The Group operates a volunteer scheme, providing colleagues with one paid day per year to undertake a volunteering activity of their choice. Last year 341 volunteering hours in our local communities were recorded.

Activities undertaken in the last 12 months included a HR Team day doing maintenance at Maggie's Cancer Support Centre, a 24 hour sleep out for a homeless charity in Manchester, Financial Services tutors acting as mentors on a digital platform called Future in Finance to children from lower social economic backgrounds to help them find an attainable professional career path in financial services, our School of Nursing staff providing CPR sessions to junior school children to empower them with skills for the future and give the young people exposure to working in the medical profession. The use of the volunteering allowance has been extremely valuable to those directly impacted by our employees' support. The volunteer policy enables staff to spend time engaging with local communities close to its geographical centres. The above provides a snapshot of how we are continuing to make a positive social contribution to the communities in which we operate.

The Group is a member of the 5% Club, an apprenticeship scheme that operates as a dynamic movement of employer-members working to create a shared prosperity across the UK by driving 'earn and learn' skills training opportunities.

Having celebrated its 20th anniversary in 2024, The Group's Social Impact team designs and delivers initiatives which generate sustainable, measurable social change that benefits the community and the organisation.

Social Impact work with staff, students, learners and the Group's professional and charity partners to deliver pro-bono legal advice, public education and social mobility initiatives. In 2023/24, 1,237 Group students and learners became Social Impact volunteers, committing 5,449 hours to projects that support the community and widen participation into professional careers. In 2023/24 this included the provision of free professional advice services to 1066 clients and outreach workshops to 1,700 members of the public.

Recognised for delivering projects that are innovative and create impact, in 2024 the Group were Highly Commended at the Department for Education National Apprenticeship and Skills Awards for Social Justice Employer of the Year as well as winning Apprenticeship Provider of the Year and Legal, Finance and Accounting Provider of the Year at the AELP AAC Apprenticeships Awards of the Year. To add to this regionally, the Group's Social Impact Team were Highly Commended in the Greater Manchester Pro Bono Awards.

Human rights

The Group is committed to and supports international efforts to promote ethical business practices and policies related to the prevention of the exploitation and abuse associated with modern slavery and human trafficking. In our code of ethics (<https://www.bpp.com/about-bpp/code-of-ethics>), we acknowledge responsibility under the Modern Slavery Act 2015 and will endeavour to ensure that slavery and human trafficking are not taking place within our directly employed workforce, or our supply chain.

Our People (continued)

Human rights (continued)

In accordance with section 54(1) of the Modern Slavery Act 2015, the Group's slavery and human trafficking statement has been published on our website <https://www.bpp.com/about-bpp/modern-slavery-statement>. The statement sets out the steps taken by the Group to prevent modern slavery and human trafficking in its business and supply chains, including;

- Guidance on how to report concerns about any issue or suspicion of modern slavery,
- Suppliers being required to undergo due diligence as part of their onboarding which includes a modern slavery risk assessment, which must be repeated at least every two years (higher risk suppliers to repeat every 18 months),
- Obligations on suppliers to comply with the Modern Slavery Act 2015 and adhere to BPP's Code of Conduct, any breach resulting in immediate termination of the supplier relationship,
- A whistleblowing policy that encourages the reporting of any wrongdoing which extends to human rights violations like modern slavery.

Section 172 (1) Statement

The directors, in line with their duties under section 172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole. In doing so, the directors have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term;
- Interests of the Group's employees;
- Need to foster the Group's business relationships with suppliers, customers and others;
- Impact of the Group's operations on the community and environment;
- Desirability of the Group maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the Group.

In discharging the section 172 duties, the directors have regard to the factors set out above. The directors also have regard to other factors they consider relevant to the decision being made. Those factors, for example, include the interests and views of the Group's investors. The directors acknowledge that every decision that is made will not necessarily result in a positive outcome for all of the Group's stakeholders. However, by considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the directors aim to make sure their decisions are consistent and predictable.

Strategic reviews

As described earlier in this Strategic report, the Group's strategy is to deliver world-class experiences and outcomes for students and employers, accelerate organic growth of the Group and improve the Group's operating efficiency and effectiveness in order to maximise the value of each of the Group's educational institutions. The directors are responsible for establishing and monitoring the implementation of the Group's strategy, oversight of performance and risk management and setting a strong cultural foundation built around ethical values. The directors include both executive management and those who form part of the ownership investment group. The directors delegate authority for day-to-day management of the Group to executive management and to senior management at each subsidiary in overseeing execution of the business strategy and related policies. Regular meetings are held between senior executives and directors where performance, key developments and future strategy are discussed. The approach allows the Group, and specifically, each of its subsidiaries, to be more efficient and effective in responding to local economic, political, regulatory and other market changes that impact the Group and its subsidiaries. Further, this approach ultimately supports the Group in achieving its strategy to maximise the value of each of the Group's educational institutions for the Group's investors.

Section 172 (1) Statement (continued)

Financial and operational performance

During the year, the directors review matters relating to a variety of areas, including, but not limited to, financial and operational performance, business strategy, key risks, governance, compliance and legal and regulatory matters. This is done through regular meetings and dialogue with senior management, the consideration of reports and other supporting information. As part of this review process and through discussions with senior management, the directors contributed to the key activities carried out by the Group during the year.

Stakeholder engagement

The Group's key stakeholders include its investors, customers, employees and regulators, the communities in which the Group operates and the partners and suppliers that the Group works with. The Group's success is impacted by the way the Group conducts itself with these key stakeholders. As such, the views and impact of the Group's activities on its stakeholders are an important consideration for the directors when making relevant decisions. For example, the directors regularly engage with employees through employee surveys to ascertain how involved and satisfied employees feel in their position. As a result, action is taken by senior management to make improvements, for example a new applicant tracking system, updated manager training along with a revamped survey structure itself. While there are cases where the directors determine that they should engage directly with certain stakeholder Groups or on certain issues, the size of our stakeholders means that generally, the Group's stakeholder engagement best takes place at an operational or subsidiary level. The Group finds that this is a more efficient and effective approach, and also helps the Group achieve a greater positive impact on environmental, social and other issues. Directors regularly provide employees with updates on the Group's performance and outlook and to share any prevalent business news through email communication, updates on the intranet and regular meetings with the Group Leadership Team.

The Group, and specifically, each of its subsidiaries, strives to create a culture of collaboration and inclusion, and create an environment that ensures its employees have the requisite skills and resources needed to effectively complete their job and deliver value to the Group's customers. The Group is geographically and culturally diverse and recognises the importance of engaging employees to help make their fullest contribution to the Group, which is fundamental to achieving the Group's strategy. The Group leverages a number of different initiatives and tools in engaging with its employees, including offering learning, development and training courses, health and wellness programmes.

The Group engages with ultimate parent company investors through its indirect subsidiary (BPP Holdings Limited), where all Bright Topco Limited Group results and operational matters are communicated from during a monthly investor meeting.

The Group engages with local communities via its geographical centres through the volunteer policy enabling staff to spend time engaging with communities and also the pro bono team engaging with the local legal sectors.

Customer and supplier relationships

The Group's customers are an integral component to achieving the Group's strategic goals. The Group strives to ensure that its customers are treated fairly and that customer feedback about the educational and student support services provided by the Group is taken into consideration. The Group engages with its customers in a variety of ways, including, for example, through student groups and student surveys, such as daily satisfaction scores. A result of this engagement with its customers was the creation of a customer experience department whose work is dedicated to the customer experience and wellbeing, focusing on both corporate customers and individual student groups. For example, this department has created student support hubs at their main locations, with centre experience managers available on site. The Group operates a detailed induction programme that supports its students with every aspect of their onboarding, where advice and support is provided to help with integration. Another example of how the Group considers its customers is by making hardship funds accessible to students to fulfil vital and immediate needs. Specific teams are also in place in the Group to work collaboratively with corporate customers and understand how the Group can improve any elements of the product offerings or customer experience.

Section 172 (1) Statement (continued)

Customer and supplier relationships (continued)

The Group's customer base was also considered when they made acquisitions of other subsidiaries. Management have considered how these acquisitions would help improve the Group's customer base by providing more services and products in the education sector.

The Group, and specifically, each of its subsidiaries, recognises the importance of fostering business relationships with its suppliers in order to meet strategic priorities, maximise efficiency and optimise costs. The Group engages with suppliers on a regular basis through multiple communication channels to ensure suppliers are providing the goods and services as anticipated by the Group's subsidiaries and seeking feedback from suppliers, when applicable. During the year the Group continued to simplify supplier payment plans and processes to satisfy the supplier and helping the Group achieve a predictable cash outflow.

Environmental

The Group also recognises its responsibility to reducing its environmental impact. Climate risk is a factor that the Group has considered as it has a direct impact on the energy consumption of the business through the properties it occupies. The Group reports environmental usage annually to its investors. As described in the energy and carbon reporting section in the Directors' report, the Group closely analyses its energy performance to understand usage trends, identify opportunities for reduction and recognise the impacts of its energy saving projects, for example updated lighting solutions across the property portfolio. Environmental factors were also key drivers in the selection criteria when identifying a new flagship property in Portsoken Street London in 2022, and in all property upgrade projects.

Future developments

The directors will continue to monitor the risks disclosed in this Strategic report. The directors will continue to look for ways to maximise the student experience, enhance student curriculum and review strategic alternatives for its educational institutions that result in creating and maximising value.

The current outlook for the Group is positive, with strong growth in revenue, profitability and cashflows. The Group continues to invest in and launch new products to help strengthen its position in the markets in which it operates. The Group believes the challenging economic conditions will further increase the demand for career focused education and the Group plans to use their core competencies and experience to capitalise on these opportunities and is optimistic that it will continue to grow enrolments in the future due to programme development and delivery of targeted growth across the education disciplines offered and in international geographies.

Any future development in interest rates set by the Bank of England would impact the interest repayments required by the Group. At the time of writing the base rate has remained static.

The political landscape with respects to immigration and apprenticeship training is always to future change both positive and negative, which continues to be monitored closely.

The ever changing technological landscape will continue to impact how the business operates. There are skillsets across the Group looking at the latest technologies such as AI to ensure that these are carefully considered and embedded into cutting edge course delivery. In order to further leverage technology to improve customer experience and efficiency delivery structures the Group continues to embark on a systems investment programme, which is continuing into 2025. This will ensure that the Group is well placed to continue to capitalise on opportunities and grow into the future.

Approved by the board of directors, and signed on its behalf by:



Graham Stuart Mark Gaddes
Director

Date:.....09/06/2025

The directors present their Annual report and audited financial statements for the year ended 31 August 2024.

Principal activities

The principal activity of the Company is acting as the Group's holding company.

The principal activity of the Group is to provide education and training in law, finance and accountancy, technology and digital, business, nursing and health and people and skills development both through relationships with corporates (B2B) and directly to consumers (B2C).

The Group performance, proposed dividends, outlook, strategy, policies, future developments and risk uncertainties can be found in the Strategic report.

The directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

The ownership of the Group is discussed in the Strategic report.

Subsidiaries

The Group primarily operates throughout the UK, and has presence in other European countries, China, Hong Kong, Singapore, Poland, Romania, Malaysia, USA, Canada and Australia. A comprehensive list of the Group and Company's subsidiaries and associated undertakings can be found in note 14.

Directors

The directors who held office during the year and up to the date of approval of the financial statements were as follows:

Graham Stuart Mark Gaddes
Andrew Matthew Payne
Marc-Edouard Jacques Henri Meunier
Jonathan Barlow Rosen
Joanna Clare Preston-Taylor

Graham Gaddes

Appointed Group CEO in 2017 after serving as COO from 2012. Worked in private education for 33 years and has deep experience across all areas of the education sector.

Andrew Payne

Chief Operating Officer, Andy is a qualified accountant and joined BPP in 2006 where he has held numerous management roles including Chief Finance Officer and Chief Experience Officer. Andy is responsible for all non-university business units and operational departments.

Joanna Preston-Taylor

Chief Financial Officer, focussed on forecasting and reviewing internal metrics to ensure the Group is performing and optimised for growth. Jo started her career as a Chartered Accountant at Ernst & Young, before joining the Group in 2007. Since joining, Jo has held several different management roles across the Group.

Marc Meunier

Marc joined TDR Capital in January 2012. Prior to joining TDR, he worked at Credit Suisse as an Associate in the Financial Sponsors Leveraged Finance team and as an Analyst in the Diversified Industries team. He holds a master's degree in General Engineering from Ecole Centrale, France.

Jonathan Rosen

Jon joined TDR Capital in November 2006. Prior to joining TDR, he was a Partner at Hampshire Equity Partners for nine years, where he was responsible for sourcing, executing and managing private equity and distressed debt investments. Jon previously worked at BT Capital Partners. He has over 25 years of private equity and principal investing experience. He holds a bachelor's degree in Economics and Public Policy Studies from Duke University.

Results and dividends

The results for the year are set out on page 29.

No dividends were paid during the year and the directors have not recommended payment of a final dividend (period ended 2023: £nil).

Events after the balance sheet date

Information relating to subsequent events are given in note 34 of the financial statements.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2023: £nil).

Energy and carbon reporting

The energy and carbon report for the Group has been prepared for a 12 month period from 1 September 2023 to 31 August 2024.

Below are the Group's sources of greenhouse gas (GHG) emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended:

	2023-24 KWh	2022-23 KWh
Energy consumption		
Gases	2,658,695	2,545,629
Electricity	4,938,481	4,555,036
Transport	294,835	238,698
Total energy to be reported	7,892,011	7,339,363
	2023-24 tCO ₂ e	2022-23 tCO ₂ e
GHG emissions - Scopes 1 and 2		
Stationary combustion gases	486	458
Purchased electricity using location based factors	1,023	943
Total Scope 1 and 2 GHG emissions	1,509	1,401
	2023-24 tCO ₂ e	2022-23 tCO ₂ e
GHG emissions - Business travel in rental or privately owned vehicles		
Business travel in rental cars or employee-owned vehicles	71	73
	2023-24 tCO ₂ e	2022-23 tCO ₂ e
GHG emissions - Based on total UK energy use from gases, electricity and transport		
GHG emissions resulting from total UK energy use from gases, electricity and transport as reported in the energy section above	1,580	1,474

Energy and carbon reporting (continued)

Intensity Ratio - GHG emissions (derived from reported energy usage) per business metric

	2023-24		2022-23		Unit
	Metric Amount	Intensity Ratio	Metric Amount	Intensity Ratio	
Turnover (£)	401	4	328	4	tCO ₂ e per £m of turnover

Methodology

Greenhouse gas emissions and energy usage have been calculated in line with the UK Government's 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, March 2019'.

GHG emissions and conversion factors have been taken from the UK Government's 'GHG Conversion Factors for Company Reporting' for the year 2024 (Version 1.1).

We closely analyse our energy performance – using half-hourly data, where possible – to understand usage trends, identify opportunities for reduction and recognise the impacts of our energy-saving projects.

In the reporting year, we have installed secondary glazing at our Holborn centre. This project allows us to better maintain room temperatures within the building. Heat is reflected from outside during warmer months, regulating solar gain; in winter, heat within the building is better retained. This has reduced the operation of existing air-conditioning ducted systems and brought energy and CO₂ savings for the business. While not fully analysed, the potential CO₂ saving per year is 34,565 kg.

To further improve energy saving at the Holborn centre, we have engaged a supplier to investigate installing an asset-level energy monitoring system. This will allow us to understand our electricity spend and develop specific initiatives for energy and CO₂ reduction. Utilising this system, we expect to see a 5.1% energy reduction during 2025.

We have developed our first Carbon Reduction Plan through a multi-departmental approach and are currently refining our commitment to net zero by 2050.

Facilities and Services teams at all of our sites are tasked with performing daily housekeeping checks, and energy efficiency form a core part of this.

Our finalised Carbon Reduction Plans have been published and we will continue to update and publish new versions yearly on our website. These plans measure the carbon impact of every aspect within BPP's operation and supply chain that has a material impact on the environment. Guided by this data, we identify core initiatives and processes for carbon reduction. These plans give us confidence and strategic direction in our journey towards net zero.

We continue to focus on sustainability as we update our property plans

Through our Building Management Systems at our sites, firm parameters have been set concerning minimum and maximum temperatures. No unauthorised individual is able to override these.

Customer Service teams at all of our sites are tasked with performing daily housekeeping checks, and energy efficiency forms a core part of this.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Qualifying third party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

Going concern

Going concern considerations

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' report. The financial position of the Group is described in the Strategic report.

In assessing the Group's going concern the directors give consideration to the impact of macroeconomic challenges such as UK recession including the cost of living crisis.

Ongoing impact

The Group benefits from a diversified portfolio of customers and products, with strong growth potential in various segments, which the Group has continued to deliver in spite of any macroeconomic challenges.

Forecasts

Each year detailed 5 year forecasts and scenario planning models are prepared to assess the future growth potential of the Group and the risks and opportunities that could impact that growth. The forecasts are based on the directors' and senior management's understanding and experience of market trends, seasonality and the impact of regulation on the industry.

The forecasts review profitability, liquidity, and leverage which showed there was significant headroom in all areas. The Group conducts regular cash flow forecasting which demonstrates a cash flow focus and shows an increasing cash position in these future forecasts. Note there are no ongoing performance covenants attached to the Senior Term Facilities Agreement and no ongoing capital repayments required. Therefore, liquidity is not seen as a material risk. The Group is forecast to improve its financial performance and reduce the level of leverage.

The Company is in a strong net assets position.

On 15 May 2025, the Group completed a structured refinancing of its preference shares and senior debt facility. A new £710m senior term loan agreement was entered into, replacing the existing financing arrangement. Interest is charged on the new loan balance at 5% with a maturity of 7 years after the closing date. The new Senior Term loan facilitated the repayment of the existing loan arrangement as well as the repayment of preferential shareholders held within Bright Midco Ltd.

The super senior revolving credit facility was also increased from £25m to £50m on the same date but remains undrawn.

Conclusion

After careful consideration of the above, the directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and accounts.

Re-appointment of auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected 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 of the Group and Company, and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's Strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Schedule 7 to be contained in the Directors' report. It has done so in respect of the Group's performance, outlook, strategy, policies, future developments and key risks and uncertainties.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

The Directors' report was approved by the board of directors, and signed on its behalf by:



Graham Stuart Mark Gaddes
Director

Date:09/06/2025

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bright Topco Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 34.

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).

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 Financial Reporting Council's (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

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 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, HMRC Legislation, Consumer Contract Regulations, UK Visa and Immigration Regulations, Financial Conduct Authority (FCA) Regulations, Higher Education and Research Act 2017; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included compliance with Office for students (OfS) regulation, Office for Standards in Education (Ofsted) regulation and the Education and Skills Funding Agency regulation.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

In relation to BPP University Limited and BPP Professional Education Limited, we have identified a significant fraud risk in relation to revenue recognition, specifically pinpointed to the cut-off assertion in non-apprenticeship revenue, due to the increase in quantum of revenue recognised in the two-months either side of the year-end.

- We tested the cut-off assertion through a test of detail approach and traced a sample of invoices and credit notes pre-year end and post-year end to deferred revenue schedules, journals postings and attendance registers to provide assurance that revenue was recognised in the correct period.

We have also identified a significant fraud risk in relation to the deferred revenue recognised due to the manual nature of the schedule and the course weeks utilised to recognise revenue.

- We have performed detailed testing for deferred revenue by agreeing a sample of a cohorts of students to the deferred revenue schedule and have recalculated the deferred revenue balance. We have obtained and inspected relevant audit evidence to validate the accuracy and completeness of the inputs in deferred revenue spreadsheet.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In relation to Firebrand Training Limited, we have identified a significant fraud risk in relation to revenue recognition, specifically pinpointed to the cut-off assertion, due to the additional complexity in this entity's revenue recognition process.

- We tested the cut-off assertion through a test of detail approach and traced a sample of invoices and credit notes pre-year end and post-year end to deferred revenue schedules, journals postings and attendance registers to provide assurance that revenue was recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 and group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters

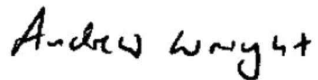
Bright Topco Limited

Independent auditor's report to the members of Bright Topco Limited (continued)

For the year ended 31 August 2024

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.



Andrew Wright, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom
9 June 2025

Bright Topco Limited**Group statement of comprehensive income****For the year ended 31 August 2024**

	Notes	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Turnover	3	401,511	328,579
Cost of sales		(209,998)	(171,679)
Gross profit		191,513	156,900
Administrative expenses		(201,916)	(179,461)
Operating loss	4	(10,403)	(22,561)
Interest receivable and similar income	8	2,200	4,475
Interest payable and similar expenses	9	(62,420)	(52,885)
Loss before taxation		(70,623)	(70,971)
Tax on loss	10	933	6,439
Loss for the financial year		(69,690)	(64,532)
Currency translation differences*		2,806	1,493
Total comprehensive expense for the year		(66,884)	(63,039)

*There is no tax relating to other comprehensive income. Currency translation difference is a result of a revaluation of an investment elimination.

Total comprehensive expense for the year is all attributable to the owners of the parent Company.

There are no other comprehensive expenses for the current financial year other than those included in the Statement of comprehensive income above.

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 35 to 68 form an integral part of these financial statements.

Bright Topco Limited**Group statement of financial position****As at 31 August 2024**

	Notes	2024 £'000	2023 £'000
Non-current assets			
Intangible assets	11	741,462	672,480
Tangible assets	12	107,275	102,512
Debtors due after more than one year	16	6,669	5,987
Other Investments	13	5,000	-
		860,406	780,979
Current assets			
Stocks	15	906	916
Debtors falling due within one year	16	97,236	91,304
Restricted cash	17	126	888
Cash at bank and in hand		42,960	79,029
		141,228	172,137
Creditors: amounts falling due within one year	18	(172,763)	(161,316)
Net current (liabilities)/assets		(31,535)	10,821
Total assets less current liabilities		828,871	791,800
Creditors: amounts falling due after more than one year	19	(649,743)	(536,310)
Provisions for liabilities	22	(111,047)	(119,821)
Net assets		68,081	135,669
Capital and reserves			
Called up share capital	25	275,243	276,064
Share premium account	26	117	1,295
Capital redemption reserve	26	1,171	-
Other reserves	26	4,467	1,661
Profit and loss account	26	(212,917)	(143,351)
Total equity		68,081	135,669

The accompanying notes on pages 35 to 68 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 09/06/2025.....
2025 and are signed on its behalf by:



Graham Stuart Mark Gaddes
Director

Company registration no. 13257483

Bright Topco Limited**Company statement of financial position****As at 31 August 2024**

	Notes	2024 £'000	£'000	2023 £'000	£'000
Fixed assets					
Other Investments	13		271,462		271,462
			<u>271,462</u>		<u>271,462</u>
Current assets					
Debtors	16	7,344		6,447	
Creditors: amounts falling due within one year	18	(2,043)		(134)	
		<u></u>	5,301	<u></u>	6,313
Net current assets			<u>5,301</u>		<u>6,313</u>
Total assets less current liabilities			<u>276,763</u>		<u>277,775</u>
Net assets			<u>276,763</u>		<u>277,775</u>
Capital and reserves					
Called up share capital	25		275,243		276,064
Share premium account	26		117		1,295
Capital redemption reserve	26		1,171		-
Profit and loss account	26		232		416
			<u>276,763</u>		<u>277,775</u>
Total equity			<u>276,763</u>		<u>277,775</u>

The accompanying notes on pages 35 to 68 form an integral part of these financial statements.

As permitted by s408 Companies Act 2006, the Company has not presented its own Statement of comprehensive income and related notes. The Company's loss for the year is £0.3m (2023: £0.5m).

The financial statements were approved by the board of directors and authorised for issue on 09/06/2025 and are signed on its behalf by:



Graham Stuart Mark Gaddes
Director

Company registration no. 13257483

Bright Topco Limited

Group statement of changes in equity

For the year ended 31 August 2024

	Notes	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 September 2022		275,500	1,832	-	168	(81,135)	196,365
Year ended 31 August 2023:							
Loss for the year		-	-	-	-	(64,532)	(64,532)
Other comprehensive income:							
Currency translation differences	26	-	-	-	1,493	-	1,493
Total comprehensive expense for the year		-	-	-	1,493	(64,532)	(63,039)
Transactions with owners, recorded directly in equity							
Issue of shares	25	564	338	-	-	-	902
Company restructure		-	(875)	-	-	875	-
Capital contribution		-	-	-	-	1,441	1,441
Balance at 31 August 2023		276,064	1,295	-	1,661	(143,351)	135,669
Balance at 1 September 2023		276,064	1,295	-	1,661	(143,351)	135,669
Year ended 31 August 2024:							
Loss for the year		-	-	-	-	(69,690)	(69,690)
Other comprehensive income:							
Currency translation differences	26	-	-	-	2,806	-	2,806
Total comprehensive expense for the year		-	-	-	2,806	(69,690)	(66,884)
Transactions with owners, recorded directly in equity							
Issue of shares	25	216	117	-	-	-	333
Company restructure		-	(1,295)	-	-	1,295	-
Capital redemption		-	-	1,171	-	(1,171)	-
Cancellation of shares		(1,037)	-	-	-	-	(1,037)
Balance at 31 August 2024		275,243	117	1,171	4,467	(212,917)	68,081

The accompanying notes on pages 35 to 68 form an integral part of these financial statements.

Bright Topco Limited

Company statement of changes in equity

As at 31 August 2024

	Notes	Called up share capital* £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 September 2022		275,500	1,832	-	-	277,332
Period ended 31 August 2023:						
Total comprehensive expense for the year						
Profit for the year		-	-	-	(459)	(459)
Transactions with owners, recorded directly in equity						
Issue of shares	25	564	338	-	-	902
Company restructure		-	(875)	-	875	-
Balance at 31 August 2023		276,064	1,295	-	416	277,775
Balance at 1 September 2023		276,064	1,295	-	416	277,775
Year ended 31 August 2024:						
Total comprehensive expense for the year						
Loss for the year		-	-	-	(308)	(308)
Transactions with owners, recorded directly in equity						
Issue of shares	25	216	117	-	-	333
Company restructure		-	(1,295)	-	1,295	-
Capital redemption		-	-	1,171	(1,171)	-
Cancellation of shares		(1,037)	-	-	-	(1,037)
Balance at 31 August 2024		275,243	117	1,171	232	276,763

The accompanying notes on pages 35 to 68 form an integral part of these financial statements.

Bright Topco Limited**Group statement of cash flows****For the year ended 31 August 2024**

		Year ended 31 August 2024 £'000	<i>Restated</i> Year ended 31 August 2023 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	31	68,080	88,793
Income taxes paid		(4,178)	(5,429)
Net cash inflow from operating activities		63,902	83,364
Cash flows from investing activities			
Purchase of intangible assets		(24,239)	(12,186)
Purchase of tangible fixed assets		(12,083)	(11,249)
Purchase of subsidiary net of acquired cash		(109,511)	(39,613)
Purchase of investments		(5,000)	-
Interest received		2,200	1,839
Net cash used in investing activities		(148,633)	(61,209)
Cash flows from financing activities			
Finance leases		(356)	(451)
Capital contribution		-	1,442
Issue of shares		(704)	903
Proceeds from borrowings		85,814	25,180
Interest paid		(40,654)	(33,024)
Exchange gain/loss		3,801	2,223
Net cash inflow/(outflow) financing activities		47,901	(3,727)
Net decrease in cash and cash equivalents		(36,830)	18,428
Cash and cash equivalents at beginning of the year		79,916	61,488
Cash and cash equivalents at end of the year		43,086	79,916

As permitted by para 1.12(b) of FRS 102, the Company has not presented its own statement of cash flows.

The presentation of the prior year cash flow statement has been restated to correctly reflect the purchase of subsidiaries net of cash acquired, as required by FRS 102. In the prior year the cash acquired with subsidiaries was erroneously included in the movement in Debtors within Cash flows from operating activities. In the restated presentation, this amount of £4.5m has been reclassified to decrease the cash outflow for the consideration to acquire subsidiaries. The net impact was to reduce movement in Debtors by £4.5m and decrease the cash outflow from the purchase of subsidiary, net of cash acquired by £4.5m.

The accompanying notes on pages 35 to 68 form an integral part of these financial statements.

1 Accounting policies

Company information

Bright Topco Limited ("the Company") is a holding Company and through its subsidiaries (together "the Group") provides education and training programmes in a variety of areas. The Group delivers most of its programmes through a mix of online and in person or blended delivery methods with locations in United Kingdom, Europe, North America and Australia.

The Company is a private limited Company limited by shares and incorporated in the United Kingdom and registered in England and Wales. The registered office is BPP House, Aldine Place, 142-144 Uxbridge Road, Shepherd's Bush, Greater London, W12 8AA. The Company's registration number is 13257483.

The Group consists of Bright Topco Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The preparation of financial statements in conformity with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's 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 in the later sections of accounting policies.

The financial statements are presented in sterling ("£") which is also the functional currency of the Company. All amounts in the financial statements have been rounded to the nearest thousands GBP (£'000).

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Disclosure exemptions

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included a second time.
- Certain disclosures required by FRS 102.26 Share-based Payments; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1 Accounting policies (continued)

1.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 August 2024.

No income statement is presented for the Company as permitted by section 408 of the Companies Act 2006.

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intergroup transactions and balances between Group companies are therefore eliminated in full. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

1.3 Going concern

Going concern considerations

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic and Directors' report. The financial position of the Group is described in the Strategic report.

In assessing the Group's going concern the directors give consideration to the impact of macroeconomic challenges such as UK recession including the cost of living crisis.

Ongoing impact

The Group benefits from a diversified portfolio of customers and products, with strong growth potential in various segments, which the Group has continued to deliver in spite of any macroeconomic challenges.

Forecasts

Each year detailed 5 year forecasts and scenario planning models are prepared to assess the future growth potential of the Group and the risks and opportunities that could impact that growth. The forecasts are based on the directors' and senior management's understanding and experience of market trends, seasonality and the impact of regulation on the industry.

1 Accounting policies (continued)

1.3 Going concern (continued)

Forecasts (continued)

The forecasts review profitability, liquidity, and leverage which showed there was significant headroom in all areas. The Group conducts regular cash flow forecasting which demonstrates a cash flow focus and shows an increasing cash position in these future forecasts. Note there are no ongoing performance covenants attached to the Senior Term Facilities Agreement and no ongoing capital repayments required. Therefore, liquidity is not seen as a material risk. Sensitivity analysis has been performed using different scenarios on how much the base rate would effect the Group's overall cashflow. The Group remained cash solvent even with the highest rate of an additional 5.2% to the base rate. The Group is forecast to improve its financial performance and reduce the level of leverage.

The Company is in a strong net assets position.

On 15 May 2025, the Group completed a structured refinancing of its preference shares and senior debt facility. A new £710m senior term loan agreement was entered into, replacing the existing financing arrangement. Interest is charged on the new loan balance at 5% with a maturity of 7 years after the closing date. The new Senior Term loan facilitated the repayment of the existing loan arrangement as well as the repayment of preferential shareholders held within Bright Midco Ltd.

The super senior revolving credit facility was also increased from £25m to £50m on the same date but remains undrawn.

Conclusion

After careful consideration of the above, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and operate within the level of their facilities for the foreseeable future and they continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 Turnover

Turnover is recognised when the following conditions are fulfilled:

- services have been rendered or the delivery has occurred;
- the amount of revenue can be reasonably measured;
- it is probable that the future economic benefits will flow to the entity; and
- the costs incurred, or to be incurred, in relation to the transaction can be reasonably measured.

Turnover is presented net of scholarships, discounts, and net of VAT and other sales related taxes collected and remitted to governmental authorities.

Tuition and educational turnover

Substantially all of the Group's net turnover is composed of tuition and fees from educational programmes that consist of students in short-term, non-degree programmes, students who purchase certain self-study and/or asynchronous programmes and students enrolled in degree and non-degree programmes lasting multiple years. Tuition turnover is recognised over the length of the course and/or programme. Tuition income received or charged in advance are accounted for in liabilities and released over the period of the course. For tuition fees invoiced in advance but where cash is yet to be received, a current liability and corresponding current asset is raised when it is probable that future economic benefits are expected to flow to the entity.

1 Accounting policies (continued)

1.4 Turnover (continued)

Educational materials

Sales of educational materials are recognised when goods have been delivered to the student, the student has accepted the goods and the related receivable is measurable. This income is recognised when the service takes place.

Other education-related income

Other education-related income primarily consists of non-tuition income associated with providing educational services such as professional services, enrolment application fees and receipt of certain government subsidies.

Discounts

Discounts represent institutional scholarships, early payment discounts and promotions. This includes reductions in charges for tuition or other fees from our standard rates typically provided to corporate and other employer students. Discounts are generally recognised over the period of instruction in the same manner as the related tuition revenue to which the discount relates.

Collected but unremitted sales and other indirect taxes are included as a liability in the Group's statement of financial position.

When cash inflows are deferred and represent a financing arrangement, and not settled in cash, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income. The element of financing is deemed immaterial and disregarded in the measurement of revenue.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other revenue

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Government grants relating to turnover are recognised as income on an accrual basis over the periods when the related costs are incurred.

1 Accounting policies (continued)

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patent & licences	over an expected useful life of 3 to 5 years
Other intangibles	over an expected useful life of 2 to 10 years
Brand	over 10 years

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. Previously capitalised curriculum development costs are included within other intangibles are amortised between three and five years, depending on the period the entity is expected to benefit. Provision is made for any impairment.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	over an expected useful life of 5 to 50 years
Short leasehold	over the life of the lease
Equipment	over an expected useful life of 3 to 10 years
Fixtures and fittings	over an expected useful life of 5 to 10 years

Land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of comprehensive income.

Freehold land and buildings were previously revalued as part of the acquisition of the BPP Group.

The Group does not adopt a revaluation policy for its tangible fixed assets.

1 Accounting policies (continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the Company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised in the Statement of comprehensive income.

1.9 Impairment of non-financial asset

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.10 Stocks

Stocks principally represent course materials and books. Stocks are stated at the lower of cost and net realisable value, using the FIFO (first-in, first-out) method and the average cost method, depending on the stock item. With respect to course materials, external creative costs and artwork costs of new titles are absorbed into the cost of the first print run. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Statement of comprehensive income. Reversals of impairment losses are also recognised in the Statement of comprehensive income.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (continued)

1.12 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including attributable transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of comprehensive income.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

1 Accounting policies (continued)

1.12 Financial instruments (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price less attributable transaction costs unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price less attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

1.14 Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1 Accounting policies (continued)

1.14 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in Statement of comprehensive income in the period in which it arises.

Dilapidations provision

The provision for dilapidations represents the costs that are expected to be incurred on the expiration of a lease term to return the property back to its original condition. An asset is recognised and depreciated on a straight-line basis over the lease term. A liability is recognised at the net present value of the expenditure expected to settle the obligation. The estimated future costs of dilapidation are reviewed on an annual basis and adjusted as appropriate when new information is obtained. Changes in estimates are capitalised or reversed against the leasehold costs. Changes to the estimates are discounted at a pre-tax rate reflecting current market assumptions of the time value of money.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Amounts not paid are shown as accruals in the Statement of financial position.

1.18 Interest receivable and similar income

Interest income is recognised when it is probable that the economic benefit will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.19 Interest payable and similar expenses

Interest payable and similar expenses include interest payable, finance leases recognised in Statement of comprehensive income using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of comprehensive income.

1.20 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the Statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.21 Foreign exchange

On consolidation, the results of overseas subsidiaries are translated into pounds sterling at the average exchange rate in the period. All assets and liabilities are translated at the exchange rate on the reporting date. Exchange differences arising from translating the opening assets at the opening exchange rate and the results at the average rate are recognised in the other reserve.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The critical judgements that had significant effect on amounts recognised in the financial statements are as follows.

Investment valuation

As stated in note 1.12 above, the Company conducts an impairment review of its investment in the subsidiary undertaking as and when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determining whether the investment is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use based on future cash flows and a suitable discount rate in order to calculate the present value. The value in use is compared to the carrying amount of the investment as at the Statement of Financial position date. In particular, when computing the recoverable amount and valuations, internal forecasts, discount rates, routine rate of return and long-term growth rates for the region are deemed reliable for projecting revenue growth. Internal forecasts including revenue and operating expenditure have been determined using prior period results and the expectations of future growth within the industry that the Company operates in. The growth rates used as described above are consistent with those included in industry reports also specific to the industry in which the Company operates in. It is therefore deemed that management are required to make judgements and estimates in determining whether the fair value of investment in subsidiary has fallen below its carrying value.

Brand Valuation

When calculating the brand value on acquisitions, the Group uses internal forecasts, discount rates, routine rate of return and long-term growth rates for the region which are deemed reliable for projecting revenue growth. Internal forecasts including revenue and operating expenditure have been determined using prior period results and the expectations of future growth within the industry that the Group operates in. In determining the discount rate to use, the gearing of listed comparable companies was considered. The growth rates used as described above are consistent with those included in industry reports also specific to the industry in which the Company operates in. Management are required to make judgements and estimates in determining the value of the brand for the companies it acquires.

Key sources of estimation uncertainty

There were no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover

An analysis of the Group's turnover is as follows:

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Turnover analysed by class of business		
Tuition	388,865	316,001
Materials	12,646	12,578
	<u>401,511</u>	<u>328,579</u>

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Turnover analysed by geographical market		
United Kingdom	368,573	307,890
Europe	16,493	12,554
Rest of World	16,445	8,135
	<u>401,511</u>	<u>328,579</u>

4 Operating loss

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Group		
Operating loss for the year is stated after charging:		
Exchange losses	967	243
Depreciation of owned tangible fixed assets (see note 12)	7,340	3,743
Depreciation of tangible fixed assets held under finance leases	414	370
Amortisation of intangible assets (see note 11)	88,914	83,991
Operating lease charges	10,185	7,690
Cost of stock recognised as an expense	6,916	6,698
	<u>114,736</u>	<u>103,735</u>

5 Auditor's remuneration

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statements of the Group and Company	85	85
Audit of the financial statements of the Company's subsidiaries	1,004	779
	<u>1,089</u>	<u>864</u>
For other services	<u>192</u>	<u>-</u>

6 Staff number and cost

The average monthly number of persons (including directors) employed by the Group and Company during the year was:

	Group Year ended 31 August 2024 Numbers	Company Year ended 31 August 2024 Numbers	Group Year ended 31 August 2023 Numbers	Company Year ended 31 August 2023 Numbers
Tutors	995	-	859	-
Academics	54	-	56	-
Administration and Group services	1,233	-	788	-
Sales and marketing and customer services	475	-	431	-
Materials, production and dispatch	82	-	82	-
	<u>2,839</u>	<u>-</u>	<u>2,216</u>	<u>-</u>

The aggregate payroll costs of these persons were as follows;

	£'000	£'000	£'000	£'000
Wages and salaries	124,720	-	98,434	-
Social security costs	11,983	-	9,928	-
Pension costs	5,389	-	4,346	-
	<u>142,092</u>	<u>-</u>	<u>112,708</u>	<u>-</u>

7 Directors' remuneration

Remuneration paid to the highest paid director by its subsidiaries:

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Remuneration for qualifying services	796	544
Company pension contribution to defined contribution schemes	26	18
	<u>822</u>	<u>562</u>

The total amount remunerated to directors of the Company by its subsidiaries was £1.386 million (2023: £0.948 million).

8 Interest receivable and similar income

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Group		
Interest income from deposits	1,957	1,839
Unwinding of discount on provisions (see note 22)	243	-
Other gains	-	2,636
	<u>2,200</u>	<u>4,475</u>

9 Interest payable and similar expenses

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Group		
Interest on bank loans	40,493	32,784
Interest on finance leases and hire purchase contracts	59	66
Unwinding of discount on provisions (see note 22)	-	99
Capitalised interest amortisation	1,893	1,623
Other interest payable	181	240
Accrual for interest on preferential shares	19,794	18,073
	<u>62,420</u>	<u>52,885</u>
Total finance costs	<u>62,420</u>	<u>52,885</u>

10 Taxation

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Current tax		
UK corporation tax on losses for the current year	8,076	6,867
	<u>8,076</u>	<u>6,867</u>
Deferred tax		
Origination and reversal of timing differences	(9,009)	(13,306)
	<u>(9,009)</u>	<u>(13,306)</u>
Total tax credit	<u>(933)</u>	<u>(6,439)</u>

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Loss before taxation	(70,623)	(70,971)
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (period ended 2023: 21.52%)	(17,656)	(15,273)
Non-qualifying depreciation	1,139	446
Expenses not deductible for tax purposes	5,114	4,476
Income not taxable for tax purposes	(346)	(103)
Capital gains	(233)	-
Goodwill amortisation	8,175	6,164
Differences in overseas tax rates	(674)	(1,242)
Corporation tax - adjustments relating to prior years	(923)	(138)
Deferred Tax - adjustments relating to prior years	4,494	(897)
Impact of recognising deferred tax at the future tax rate	(785)	128
Deferred Tax not recognised	1,087	-
Timing differences not recognised	(325)	-
Taxation credit for the year	<u>(933)</u>	<u>(6,439)</u>

The standard rate of tax applied to reported profit on ordinary activities is a blended rate of 25.00% (2023: 21.52%).

11 Intangible fixed assets

Group	Purchased goodwill £'000	Purchased brands £'000	Software & licences £'000	Other intangibles £'000	Total £'000
Cost					
At 1 September 2023	299,282	523,103	5,528	17,531	845,444
Additions	131,416	-	82	24,903	156,401
Foreign currency adjustment	1,500	-	-	(7)	1,493
At 31 August 2024	432,198	523,103	5,610	42,427	1,003,338
Amortisation					
At 1 September 2023	55,966	110,548	3,376	3,074	172,964
Amortisation charged for the year	32,700	52,310	1,914	1,990	88,914
Foreign currency adjustment	-	-	-	(2)	(2)
At 31 August 2024	88,666	162,858	5,290	5,062	261,876
Net book value					
At 31 August 2024	343,532	360,245	320	37,365	741,462
At 31 August 2023	243,316	412,555	2,152	14,457	672,480

Amortisation charged for the year has been recognised within administrative expenses.

On 12 April 2024, Verano Acquisitions Limited, a subsidiary of BPP Holdings Limited, acquired the entire issued share capital of Buttercups Training Limited. Buttercups Training is a market-leading training provider delivering high-quality programmes to pharmacists, pharmacy technicians, and support staff working in hospitals, community pharmacy and primary care.

On 8 July 2024, the entire issued share capital of Little Collins Holdings Ltd (with subsidiaries Acsenda School of Management and Arbutus College), EduCo US Inc and CIC Higher Education were acquired. The group of companies provide programmes and training in accounting, business, IT, business administration, hospitality, marketing and international trade, while operating in North America, Canada and Australia.

In calculating the goodwill arising on the acquisitions, the fair value of net assets of the companies acquired have been assessed and adjustments from book value have been made where necessary.

An analysis of the acquisitions of Buttercups Holdings Ltd, EduCo USA Inc, CIC Higher Education Pty Ltd and Little Collins Holdings Ltd are shown below.

11 Intangible fixed assets (continued)

Net assets at date of acquisition

Buttercups Holdings Ltd

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Fixed assets	56	-	56
Debtors	2,419	-	2,419
Cash	3,579	-	3,579
Creditors	(2,093)	-	(2,093)
Deferred tax	(13)	-	(13)
Net assets	<u>3,948</u>	<u>-</u>	<u>3,948</u>
Goodwill			<u>23,281</u>
Total purchase consideration			<u>27,229</u>
Settled by:			
Consideration			
Cash			26,368
Acquisition costs			<u>861</u>
			<u>-</u>
			<u>27,229</u>

11 Intangible fixed assets (continued)**Net liabilities at date of acquisition****Little Collins Holdings Ltd**

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Other intangible assets	231	-	231
Fixed assets	380	-	380
Debtors	1,530	-	1,530
Cash	1,505	-	1,505
Creditors	(7,016)	-	(7,016)
Deferred tax	195	-	195
	<u> </u>	<u> </u>	<u> </u>
Net liabilities	(3,175)	-	(3,175)
	<u> </u>	<u> </u>	<u> </u>
Goodwill			37,405
			<u> </u>
Total purchase consideration			34,230
			<u> </u>
Settled by:			
Consideration			
Cash			32,405
Acquisition costs			1,825
			<u> </u>
			34,230
			<u> </u>

11 Intangible fixed assets (continued)**Net assets at date of acquisition****Educo USA Inc**

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Fixed assets	4	-	4
Debtors	884	-	884
Cash	173	-	173
Creditors	(1,060)	-	(1,060)
	<u>1</u>	<u>-</u>	<u>1</u>
Net liabilities			
	<u>1</u>	<u>-</u>	<u>1</u>
Goodwill			63,698
Total purchase consideration			<u>63,699</u>
Settled by:			
Consideration			
Cash			41,771
Deferred consideration			18,477
Acquisition costs			3,450
			<u>63,698</u>

11 Intangible fixed assets (continued)**Net assets at date of acquisition****CIC Higher Education Pty Ltd**

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Other intangible assets	136	-	136
Fixed assets	127	-	127
Debtors	245	-	245
Cash	1,342	-	1,342
Creditors	(1,178)	-	(1,178)
Deferred tax	226	-	226
Net assets	<u>898</u>	<u>-</u>	<u>898</u>
Goodwill			<u>7,030</u>
Total purchase consideration			<u><u>7,928</u></u>
Settled by:			
Consideration			
Cash			7,522
Acquisition costs			406
			<u><u>7,928</u></u>

12 Tangible fixed assets

	Freehold land & building £'000	Short leasehold £'000	Fixtures and fittings £'000	Equipment £'000	Total £'000
Group					
Cost or valuation					
At 1 September 2023	92,497	14,476	626	5,867	113,466
Additions	1,243	7,340	675	2,848	12,106
Disposals	-	(3,629)	(76)	(1,862)	(5,567)
Foreign currency adjustment	-	(1)	-	(4)	(5)
At 31 August 2024	93,740	18,186	1,225	6,849	120,000
Depreciation					
At 1 September 2023	5,057	2,787	238	2,872	10,954
Depreciation charged in the year	2,379	2,463	223	2,275	7,340
Disposals	-	(3,629)	(76)	(1,862)	(5,567)
Foreign currency adjustment	-	-	-	(2)	(2)
At 31 August 2024	7,436	1,621	385	3,283	12,725
Carrying amount					
At 31 August 2024	86,304	16,565	840	3,566	107,275
At 31 August 2023	87,440	11,689	388	2,995	102,512

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2024 £'000	Group 2023 £'000
Equipment	759	1,249
Depreciation charge for the year in respect of leased assets	414	370

The Group (specifically BPP Holdings Limited) has access to a £25 million revolving credit facility (increased from £15 million on 1 May 2024) which is secured by £35 million of the freehold land and buildings. The facility remained undrawn at the reporting date.

13 Fixed asset investments

	Notes	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Investments in subsidiaries	14	<u>5,000</u>	<u>271,462</u>	<u>-</u>	<u>271,462</u>

On 27th October 2023, the Group made a strategic investment in XUnlocked.

Movements in fixed asset investments**Company**

	Share in group undertakings £'000
Cost or valuation	
At 1 September 2023	271,462
At 31 August 2024	<u>271,462</u>
Carrying amount	
At 31 August 2024	<u>271,462</u>
At 31 August 2023	<u>271,462</u>

14 Subsidiaries

Details of the Company's subsidiaries at 31 August 2024 are as follows:

Name of undertaking	Country of incorporation	Registered number	Class of shares held	% Held Direct
Bright Midco Limited*	UK	13257739	Ordinary	100
Bright Acquisitions Limited**	UK	13259256	Ordinary	100
BPPH1 Ltd**	UK	13130025	Ordinary	100
Staysharp Education Limited**	UK	13760855	Ordinary	100
Actuarial Education Company Ltd	UK	03062375	Ordinary	99
BPP Actuarial Education Ltd	UK	02904358	Ordinary	100
BPP China Ltd	Hong Kong	862033	Ordinary	100
BPP(CI) Ltd	Channel Islands	75705	Ordinary	100

14 Subsidiaries (continued)

Name of undertaking	Country of incorporation	Registered number	Class of shares held	% Held Direct
BPP Enterprise Management Consulting (Shanghai) Co., Ltd	China	91310000MA1FR1K0XA	Ordinary	100
BPPH2 Ltd**	UK	13133914	Ordinary	100
BPP Holdings Ltd	UK	01245304	Ordinary	100
BPP International Ltd**	UK	03626135	Ordinary	100
BPP Learning Media Ltd**	UK	05959432	Ordinary	100
BPP Malaysia SDN BHD	Malaysia	201801042329	Ordinary	100
BPP Offshore Group Ltd	Jersey	73704	Ordinary	100
BPP Professional Education Ltd	UK	04546335	Ordinary	100
BPP Professional Education SP z.o.o.	Poland	000026078	Ordinary	100
BPP Services Ltd**	UK	06003756	Ordinary	100
BPP Singapore PTE Ltd	Singapore	201842968M	Ordinary	100
BPP University Ltd	UK	02609100	Ordinary	100
Business Training Romania SRL	Romania	RO 11552728	Ordinary	100
Jersey International Business School	Jersey	103913	Ordinary	100
Verano Acquisition Limited**	UK	13596954	Ordinary	100
Project Dahl Topco Ltd**	UK	11465416	Ordinary	100
Project Dahl Bidco Ltd**	UK	11465390	Ordinary	100
Estio Training Limited**	UK	09310120	Ordinary	100
Estio Technology Recruitment Ltd**	UK	06784586	Ordinary	100
Softech UK Holdings Ltd**	UK	09927401	Ordinary	100
Firebrand Training Ltd	UK	04097204	Ordinary	100
Softech DACH Holdings Ltd**	UK	09926649	Ordinary	100
Firebrand Training GmbH Ltd	Germany	2074	Ordinary	100
Firebrand Training Nordics	Denmark	42244325	Ordinary	100
Softech Benelux Holdings Ltd**	UK	09926639	Ordinary	100
Firebrand Training Benelux BV	Netherlands	53073991	Ordinary	100
Northside Acquisitions Ltd	Ireland	733127	Ordinary	100
Digital Marketing Holdings Ltd	Ireland	609826	Ordinary	100
Digital Marketing Institute Group Limited	Ireland	513556	Ordinary	100
Digital Marketing International Limited	Ireland	513545	Ordinary	100
Digital Marketing Institute Limited	Ireland	467145	Ordinary	100
Digital Marketing Institute Australia Pty Limited (Australia)	Australia	625074464	Ordinary	100
Digital Marketing Institute International Inc (US)	US	6156239	Ordinary	100
Acenda School of Management	Canada	BC1044852	Ordinary	100
Arbutus College of Communication Arts, Business and Technology Inc.	Canada	BC0645492	Ordinary	100
CIC Higher Education Pty Ltd	Australia	076527529	Ordinary	100
EduCo International Group	Australia		Ordinary	100

14 Subsidiaries (continued)

Name of undertaking	Country of incorporation	Registered number	Class of shares held	% Held Direct
Digital Marketing Institute Nominees Limited	Ireland		Ordinary	100
Buttercups Group Limited**	UK	11161736	Ordinary	100
Buttercups Holdings Limited**	UK	14982497	Ordinary	100
Buttercups Training Limited**	UK	03027611	Ordinary	100
Lyceum Education (International) Limited**	UK	15213530	Ordinary	100
Lyceum Education Group Limited**	UK	15212742	Ordinary	100
Lyceum Professional Education Limited**	UK	15212520	Ordinary	100
1424835 B.C. Ltd	Canada	BC1424835	Ordinary	100
EduCo Boston, LLC	US	20233036180	Ordinary	100
Educo Nebraska, LLC	US	20232892397	Ordinary	100
Educo USA Inc	US	20164789676	Ordinary	100
Little Collins Holdings Ltd	Canada	BC0574149	Ordinary	100
Stanley Aus HoldCo Pty Ltd	Australia	677125049	Ordinary	100
Stanley US HoldCo Inc	US		Ordinary	100

*Directly held. All other holdings in subsidiary holdings are indirectly held by virtue of the Company's direct investment in its directly held subsidiaries and their respective subsidiary holdings.

**Subsidiary has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 August 2024.

The registered address for the UK based subsidiaries listed is BPP House, 142-144 Uxbridge Road, Aldine Place, London, W12 8AA, UK.

The registered address for BPP (CI) Limited, BPP Offshore Group Limited and Jersey International Business School is 39 Don Street, St Helier, Jersey, JE2 4TR.

The registered address for subsidiary companies incorporated in Hong Kong is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The registered address for subsidiary companies incorporated in China is Room 721 and 723, 7F, No. 2, Building 2, No. 999 Middle Huaihai Road, Xuhui District, Shanghai, China.

The registered address for subsidiary companies incorporated in Malaysia is Unit 3001, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur W.P., Kuala Lumpur, Malaysia.

The registered address for subsidiary companies incorporated in Poland is Tytusa Chalubinskiego, 8 00-613, Warsaw, Poland.

The registered address for subsidiary companies incorporated in Romania is 4 G-ral Vasile Milea, Far Entrance, Room 17, Floor 2, District 6, Bucharest, Romania.

14 Subsidiaries (continued)

The registered address for subsidiary companies incorporated in Singapore is 77 Robinson Road, #13-00 Robinson 77, Singapore 068896.

The registered address for subsidiary company incorporated in Germany is Heinz-Meisse Strasse 98, Rotenburg an der Fulda, 36199 Germany.

The registered address for subsidiary company incorporated in Netherlands is Kerkenbos 12-36B, 6546 BE, Nijmegen, Netherlands.

The registered address for subsidiary company incorporated in Denmark is Frydenlundsvej 30, 2950 Vedbæk, Denmark.

The registered address for Project Dahl Bidco Ltd, Project Dahl Topco Ltd, Estio Technology Recruitment Ltd and Estio Training Ltd is Central House, Central Park, New Lane, Leeds, England, LS11 5DZ.

The registered address for Softech UK Holdings Ltd, Softech DACH Holdings Ltd, Softech Benelux Holdings Ltd, Firebrand Training Ltd is 27 Old Gloucester Street, London, England, WC1N 3AX.

The registered address for subsidiary companies incorporated in Ireland is Duncairn House, 14 Carysfort Ave, Blackrock, Co. Dublin, A94 D4E1.

The registered address for subsidiary company Acsenda School of Management is 2900-550 Burrard Street, Vancouver, BC V6C 0A3

The registered address for subsidiary company Arbutus College is 473 West Hastings Street, Vancouver, British Columbia, V6B 1L4, Canada

The registered address for subsidiary CIC Higher Education is Level 4/108 Lonsdale Street, Melbourne VIC 3000, Australia

The registered address for subsidiary EducCo International Group is 108 Lonsdale Street, Melbourne, Victoria 3000, Australia

The registered address for subsidiary company Buttercups Group Limited is Buttercups House Castle Marina Road, Castlebridge Village, Nottingham, United Kingdom, NG7 1TN

The registered address for subsidiary company Buttercups Holdings Limited is Buttercups House Castle Marina Road, Castlebridge Village, Nottingham, United Kingdom, NG7 1TN

The registered address for subsidiary company Buttercups Training Limited is Buttercups House Castlebridge Office Village, Castle Marina Road, Nottingham, England, England, NG7 1TN

The registered address for subsidiary company 1424835 B.C. Limited is 2900-550 Burrard Street, Vancouver, BC, V6C 0A3

The registered address for subsidiary company EduCo Boston LLC is BPP House, Aldine Place, 142-144 Uxbridge Road, London, W12 8AA, United Kingdom

The registered address for subsidiary company EduCo Nebraska, LLC is BPP House, Aldine Place, 142-144 Uxbridge Road, London, W12 8AA, United Kingdom

The registered address for subsidiary company EduCo USA Inc is BPP House, Aldine Place, 142-144 Uxbridge Road, London, W12 8AA, United Kingdom

The registered address for subsidiary company Little Collins Holdings Ltd is 2900-550 Burrard Street, Vancouver, BC V6C 0A3

The registered address for subsidiary company Stanley Aus HoldCo Pty Limited is Mills Oakley, Level 7, 135-151 Clarence Street, Sydney, NSW 2000

The registered address for subsidiary company Stanley US HoldCo Inc is 5 BPP House, Aldine Place, 142-144 Uxbridge Road, London, W12 8AA, United Kingdom

15 Stocks

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Finished goods and goods for resale	906	-	916	-

16 Debtors

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Amounts falling due within one year:				
Trade debtors	46,056	-	43,924	-
Accrued income	32,463	-	27,902	-
Prepayments	11,193	-	9,674	-
Other debtors	7,524	-	9,554	-
Other taxes	-	52	-	-
Corporation tax recoverable	-	153	-	69
Intercompany receivables	-	7,139	250	6,378
	97,236	7,344	91,304	6,447

Amounts owed from group undertakings represent loans repayable on demand. Interest is charged on the loan balances at 2.75% (2023: 2.75%) above the monthly SONIA rate.

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Amounts falling due after more than one year:				
Prepayments	65	-	14	-
Accrued income	6,604	-	5,973	-
	6,669	-	5,987	-

17 Restricted cash

	2024 £'000	2023 £'000
Employer apprenticeship funds	126	838
Funds relating to Standby Letter of Credit	-	50
	126	888

17 Restricted cash (continued)

Employer apprenticeship funds relate to cash received by the Group on behalf of employers (BPP's customers) who enrol their 16-18 year old employee/apprentices onto courses. This cash is classed as restricted cash' as it does not belong to the Group, BPP merely acts as an intermediary as the training provider, drawing down funds generally, in relation to apprenticeships.

The funds relating to a Standby Letter of Credit relates to funds required to support the guarantee against the portfolio of historical student loans provided for in note 22, which is now £nil. The restricted cash value at a minimum must be equal to the total value of the facility under guarantee per the condition imposed by Barclays Bank PLC. The total value of the facility under guarantee at balance sheet date was £nil million (2023: £0.050 million)

18 Creditors: amounts falling due within one year

	Notes	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Fees received in advance		34,527	-	43,196	-
Deferred income		55,589	-	77,984	-
Accruals		57,535	-	26,863	-
Other taxation and social security		5,408	-	4,802	27
Other creditors		3,280	-	3,394	-
Trade creditors		10,380	180	2,871	-
Obligations under finance leases	21	243	-	322	-
External interest payable		42	-	25	-
Corporation tax payable		5,759	-	1,859	-
Amount due to group undertakings		-	1,863	-	107
		<u>172,763</u>	<u>2,043</u>	<u>161,316</u>	<u>134</u>

Amounts owed to group undertakings represent loans repayable on demand. Interest is charged on the loan balances at 2.75% (2023: 2.75%) above the monthly SONIA rate.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Loans and overdrafts	20	404,897	-	317,275	-
Other creditors		9,560	-	4,397	-
Obligations under finance leases	21	1,004	-	150	-
Amounts owed to preferential investors		234,282	-	214,488	-
		<u>649,743</u>	<u>-</u>	<u>536,310</u>	<u>-</u>

On 6 July 2021 Bright Midco Limited issued preference shares of 18,011 at a value of £9,700 a share. The redemption rate of the shares is £10,000.45 a share. Interest is accrued on the shares at 6 month interest periods at a dividend rate of 9% per annum.

20 Loans and overdrafts

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Loans and overdraft	404,897	-	317,191	-
Within one year	-	-	-	-
After one year and within five year	404,897	-	317,191	-
After five year	-	-	-	-

Bank loans and overdrafts increased on 8 July 2024, as new Senior Term Facilities Agreements were entered into by BPPH2 Limited to make available £54.7m, \$17.5m (USD) and \$33.7m (CAD), with interest to be charged at an all-in cost of daily SONIA (for GBP loan), CDOR (for CAD Loan) and SOFR (for USD Loan) plus 6.25%. This is in addition to the Senior Facility of £325.0m entered into previous years. All facilities were fully drawn and have terms whereby no capital repayments would arise until the end of the term of the facility (which is seven years from the initial utilisation). The key terms of the Group's borrowing facilities at 31 August 2024 are summarised below

BPP Holdings Limited's revolving credit facility of £15m was increased to £25m on 1 May 2024. The facility renamed undrawn at 31 August 2024.

21 Finance lease obligations

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Future minimum lease payments due under finance leases:				
Within one year	243	-	322	-
After one year and within five years	1,004	-	150	-
	1,247	-	472	-

Finance lease payments represent rentals payable for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Provisions for liabilities

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Deferred tax (note 23)	106,036	-	115,451	-
Dilapidations	5,011	-	4,357	-
Loan guarantee	-	-	13	-
	111,047	-	119,821	-
Group	Deferred tax £'000	Dilapidations £'000	Others £'000	Total £'000
At 1 September 2023	115,451	4,357	13	119,821
Acquisition of subsidiaries	(406)	929	-	523
P&L account credit	(9,009)	-	-	(9,009)
Expenditure in period	-	(32)	(13)	(45)
Other movements	-	(243)	-	(243)
At 31 August 2024	106,036	5,011	-	111,047

At 31 August 2024, £13.23 million (2023: £13.29 million) of the Group's provision, respectively, is due within one year, with the remainder due in over the year.

Dilapidations

The provision for dilapidation costs relate to costs that are expected to be incurred when leases expire through to 2037. This is provided at the present value of the expenditure expected to settle the obligation.

Notes to the Group financial statements (continued)

For the year ended 31 August 2024

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon:

	Assets/ (liabilities) 2024 £'000	Assets/ (liabilities) 2023 £'000
Group		
Accelerated capital allowances	631	608
Carried forward interest restriction	4,026	3,801
Tax losses	46	-
Deferred tax on goodwill & brand	(89,443)	(98,608)
Capital gains deferred	(21,340)	(21,339)
Other timing differences	44	87
	<u>(106,036)</u>	<u>(115,451)</u>

The Company has no deferred tax assets or liabilities.

	Group 2024 £'000	Company 2024 £'000
Movements in the year:		
Liability at 1 September 2023	(115,451)	-
Acquisition during the period	406	-
Credit to profit or loss	9,009	-
	<u>(106,036)</u>	<u>-</u>

24 Retirement benefit schemes

	2024 £'000	2023 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>5,389</u>	<u>4,346</u>

A defined contributions pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

25 Share capital

	2024	2023
	£'000	£'000
Issued and fully paid		
274,948,887 ordinary shares (2023: 275,770,000) of £1 each (2023: £1 each)	274,949	275,770
29,430,400 ordinary shares (2023: 29,430,400) of £0.01 each (2023: £0.01 each)	294	294
	275,243	276,064

On 6 October 2023, the Company purchased back 1,000,000 ordinary shares of £1 each.

On 25 October 2023, the Company purchased back 36,898 ordinary shares of £1 each for a value of £39,940.

On 29 July 2024, the Company issued 215,785 ordinary shares of £1 each with a premium of £117,424.

26 Reserves**Share premium**

The share premium accounts represents the amounts above the nominal value of shares issues and called up by the Company.

Profit and loss account

The profit and loss account reserve represents the cumulative distributable profits and losses net of dividends and other adjustments.

Other reserves

Other reserves represents currency translation differences on the consolidation of the company's subsidiaries that prepare their financial statements in a currency different to that of the company. These reserves are seen as distributable.

Capital redemption reserve

Capital redemption represents the nominal value of own shares repurchased from a reduction of share capital.

27 Operating lease commitments**Lessee**

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £'000	Company 2024 £'000	Group 2023 £'000	Company 2023 £'000
Within one year	5,789	-	3,516	-
After one year and within five year	36,651	-	24,970	-
After five year	53,763	-	46,948	-
	96,203	-	75,434	-

28 Controlling party

The parent of the Company is Bright Holdings S.a.r.l. registered at Rue Eugene Ruppert 20, Luxembourg 2453 and the ultimate controlling party is a Group of investment funds managed by TDR Capital LLP (registered in the United Kingdom).

The Bright Topco Limited financial statements represents the largest and smallest Group undertaking for which consolidated financial statements are prepared.

29 Related party disclosures

The Group has taken advantage of the exemption, afforded by paragraph 33.1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, not to disclose related party transactions entered into between two or more members of a group.

30 Commitments and contingencies

The Group has no capital commitments or contingent liabilities at the reporting date.

31 Cash generated from operations

	2024	<i>Restated</i>
	£'000	2023
		£'000
Loss for the year before tax	(70,623)	(70,970)
Adjustments for:		
Finance costs	60,526	51,163
Interest income	(2,200)	(1,839)
Amortisation of intangible assets	88,917	83,996
Depreciation of tangible fixed assets (including exchange differences)	7,338	4,113
Transaction fee amortisation	1,893	1,622
Exchange difference	(965)	(694)
Movements in working capital:		
Stocks	10	(35)
Debtors	(1,567)	(28,228)
Creditors	14,396	10,775
Deferred revenue	(30,284)	37,148
Provisions	639	1,742
Cash generated from operations	68,080	88,793

32 Net debt analysis

	2024	<i>Restated</i>
	£'000	2023
		£'000
Opening net debt		
Cash and cash equivalents	79,029	60,822
Restricted cash	888	667
Loans	(324,998)	(288,690)
Obligations under finance leases	(472)	(857)
	(245,553)	(228,058)
Changes in net debt arising from:		
Cash flow of the entity	(211,155)	(41,788)
Loans	85,813	25,180
Changes in market value and exchange rates	3,801	2,223
	(121,541)	(14,385)
Closing net debt		
Cash and cash equivalents	42,960	79,029
Restricted cash	126	888
Loans	(412,734)	(324,998)
Obligations under finance leases	(1,247)	(472)
	(370,895)	(245,553)

33 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the Group statement of cash flows comprises:

	2024	2023
	£'000	£'000
Cash at bank and in hand	42,960	79,029
Restricted cash	126	888
	43,086	79,917

(a) There are no significant non-cash transactions from investing activities in the current year.

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities:

The details of changes in the liability arising from financing activities are given in note 32.

34 Subsequent events

On 15 May 2025, the Group completed a structured refinancing of its preference shares and senior debt facility. A new £710m senior term loan agreement was entered into, replacing the existing financing arrangement. Interest is charged on the new loan balance at 5% with a maturity of 7 years after the closing date. The new Senior Term loan facilitated the repayment of the existing loan arrangement as well as the repayment of preferential shareholders held within Bright Midco Ltd. The super senior revolving credit facility was also increased from £25m to £50m on the same date but remains undrawn.