Registered number: 05268303

KAPLAN INTERNATIONAL COLLEGES U.K. LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

Bishop Fleming

COMPANY INFORMATION

DIRECTORS	L Cowan R Dupont D Jones A Thick
REGISTERED NUMBER	05268303
REGISTERED OFFICE	Palace House 3 Cathedral Street London SE1 9DE
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL

KAPLAN INTERNATIONAL COLLEGES U.K. LIMITED

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INTRODUCTION

The Directors present their Strategic Report for the Group for the year ended 31 December 2024 (“the financial year”). The Group has an accounting reference date of 31 December and has previously prepared financial statements stating the date the accounts were prepared to, being within 7 days of this date. Last year, the financial statements were stated as prepared for the year ended 31 December 2023. This year, the financial statements are prepared for a 52-week period ended 28 December 2024, but the references to dates have been changed to 'year ended 31 December’ and ‘as at 31 December’.

PRINCIPAL ACTIVITIES

The Group is a leading provider of education to international students in the UK. The Group helps its students achieve their ambition of studying for and obtaining a UK University degree. The Group works closely with UK Universities, with the intention of supporting each partner University achieve their international education strategy. The Group does so by operating international colleges which are affiliated to its UK partner Universities. These colleges (collectively referred to as Pathway colleges) offer higher education programmes for international students as preparation for study at the University to which each college is affiliated, and to other Universities with whom the Group has separate agreements. The Group also provides an online equivalent of a number of its programmes. The Group offers ancillary services to students including accommodation. The Group has an international network of representative offices engaging in recruitment and marketing services for the region they represent, the largest of which are in India, Hong Kong, U.A.E. and Nigeria.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group, through co-operation agreements with various UK Universities, operates affiliated international colleges, providing courses of study for international students wishing to progress to study at these Universities.

The Group delivered a profit of £28.5m in 2024 (2023: £23.0m) after an exceptional provision release of £3.7m (2023: £Nil) on revenues of £222m (2023: £212m). 2024’s results benefitted from a strong Autumn 2023 intake, which supported revenue in 2024 in addition to strong in-year recruitment for the majority of the year, as well as careful cost management.

The Group’s net assets increased to £84.8m (2023: £65.3m). During the year the Group paid dividends to its parent of £5m (2023: £21.7m) and made a one-off distribution through reserves of £2.7m in relation to the historic intercompany balances.

The Group’s revenue streams are mainly student-related; they include tuition fees, accommodation income and fees for other related products and services, as well as income for student progression onto the Group’s University partners’ degree programmes. The Group also receives income for acting as an authorised representative of an insurance services company for the sale of travel insurance to students. In addition, the Group generates revenue through the provision of services to other Group companies.

The Group prioritises student experience and student outcomes and feels that these underpin revenue in existing colleges and support business development activity. The Directors will continue to focus on the strategic direction of the Company’s business and that of its subsidiaries as international student preferences change. There continues to be a focus on using the Company’s expertise to identify and mature programmes that meet the needs and interests of students, sponsors, and Universities, diversifying the Group’s offering to sustain recruitment pipelines.

Each Pathway college has a student visa licence which allows it to sponsor international students applying for student visas to study at our colleges. The licence is subject to annual basic compliance assessments by the United Kingdom Visas and Immigration service (‘UKVI’). Statistics to date are well within the core measurable requirements to ensure the colleges meet the stringent compliance framework the UKVI requires. The licences also depend on maintaining Education Oversight as the Group’s Pathway Colleges, with the exception of Glasgow International College, are under the Group’s registration with the Office for Students for Educational Oversight. Glasgow International College falls under the Quality Assurance Agency (‘QAA’) for this purpose. The Office for Students is a non-departmental public body of the Department for Education, acting as the regulator and competition authority for the higher education sector.

RESULTS AND FINANCIAL POSITION

Turnover for the financial year for the Group amounted to £222m (2023: £212m). The profit for the financial year was £28.5m (2023: £23.0m) and has been transferred to reserves. The operating result included a one-off £3.7m credit arising from the release of a historic provision in relation to intercompany balances. Net assets as at 31 December 2024 were £84.8m (2023: £65.3m).

PRINCIPAL RISKS AND UNCERTAINTIES

At the current time, the Directors believe the principal risks and uncertainties facing the Group are the impact of the general economic environment, geo-political factors and increased competition.

The Directors mitigate competition risk by having management regularly review the market to ensure pricing is attractive and by making student outcomes and service levels a high priority to attract students.

The Directors mitigate the risk from the economic environment and from geo-political factors by trying, through the breadth of the Group's regional office and agent support networks, to reduce the Group's dependency on student recruitment from any single market and by providing online programmes which allow students to study from their home country, when travel or other factors such as currency fluctuations present challenges to students wishing to prepare for a UK University degree programme.

The Directors believe that changes to the laws and regulations of the UKVI in relation to the issuing of student visas present uncertainty to the Group. The Directors manage this risk by placing great emphasis on awareness of and compliance with UKVI regulations. Internal reviews and staff training are considered a vital component of this.

KEY PERFORMANCE INDICATORS

The Directors utilise a wide range of performance measures both financial and non-financial to monitor the success of the Group's business activities.

KPI	Year ended 31 December 2024	Year ended 31 December 2023
Turnover (to nearest £m)	£222m	£212m
Operating margin (before exceptional item) (to nearest %)	12%	11%
Successful student outcomes	90%	91%
Student satisfaction	92%	88%

Turnover growth was driven by the strong Autumn 2023 intake and continued strong recruitment for the majority of 2024.

The operating margin improvement was the result of the continued focus on cost management.

The Group prioritise student outcomes and student satisfaction as demonstrated by the strong year on year performance in each KPI.

Successful student outcome result is measured as the percentage of students who enrolled who successfully passed the Kaplan Pathways Award.

Student satisfaction is the result of the number of positive responses to the question 'I would recommend my College as a good place to study' through the Kaplan Student Experience Survey.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The Strategic Report is required to include a statement describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 during the financial year to the at 31 December 2024 when performing their duty under section 172 of the Act. Section 172(1) of the Companies Act 2006 states: “A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to - (a) the likely consequences of any decision in the long term, (b) the interests of the company's employees, (c) the need to foster the company's business relationships with suppliers, customers and others, (d) the impact of the company's operations on the community and the environment, (e) the desirability of the company maintaining a reputation for high standards of business conduct, and (f) the need to act fairly as between members of the company.”

All activity and decision-making by the Directors is undertaken in the context of a single shareholder, the length of cooperation agreements with affiliated universities, the Group’s strategic and annual planning cycle, and the monitoring by the Directors of its performance against its annual plan and budget.

In promoting the success of the Group for the benefit of its members, the Directors consider the shareholders of its ultimate parent, Graham Holdings Company, as the beneficial owners. The Directors were (and continue to be) able to perform their duty under section 172(1) with the perspectives and interests of its shareholders in mind, having due regard to a broad range of matters including those referred to in section 172(1)(a) to (f).

The likely consequences of any decision in the long term
The Directors consider the key factors to secure the long-term prospects of the Group to be the continued delivery of high-quality educational programmes, the retention of the Group’s UKVI Student Visa Licences, maintenance of the Group’s registration with the Office for Students and the QAA, and the maintenance of excellent, collaborative relationships with the University sector and in particular with the Group’s University partners and the strength of its marketing and recruitment infrastructure. These factors form the overarching context for strategic decision-making. This context is reflected in the Business review and future developments section of the Directors’ Strategic Report, which also considers the principal risks and uncertainties facing the Group at this time. The Group’s strategy and business plan, and the annual budget require the approval of the Directors, with any significant changes during the year requiring approval supported by information and advice provided by senior management and the Governing Body. These governance arrangements, in place with focus on monthly reporting, enable the Directors to continually assess the extent to which the consequences of any decision taken remain consistent with what was expected at the time the decision was made, and, whether it is appropriate to consider any alternative action.

The interests of the Company and Group’s employees
The Directors are committed to creating an environment that continually attracts and retains talent within the Group’s workforce with a focus on creating opportunities and good employee communication. Staff-related key performance indicators are included in reporting to the Directors by senior management. Business updates include feedback from annual staff satisfaction surveys. The Directors fully support the Group-wide policy on initiatives focussing on personal development and professional growth. In addition, the 2024 bonus scheme for eligible employees was reviewed and approved by management, with amounts rewarded in line with the Group’s performance for the year. The Group complies with the bonus policy as instructed by the management team responsible for the Graham Holdings Company’s Education Division, who have final approval.

The need to foster the Company and Group's business relationships with suppliers, customers and others
The key risks identified by the Group include student dissatisfaction with the quality of services provided, disenchantment amongst student recruitment agents and sponsors, failure to comply with requirements from relevant regulators and accrediting agencies, and failure to meet key performance indicators included within cooperation agreements with partner universities. There are numerous KPIs which specifically include reporting on such risks, for example, active student engagement, student satisfaction surveys, compliance reviews and student progression levels to the Universities which had made them the offer conditional on the result of their Pathway course. Feedback on student insights and experiences are also received through a variety of means, including Student Representatives that meet regularly as the Group's Student Advisory Panel made up of current and former students. These surveys and KPI's are part of management reporting to the Directors. This enables prompt investigation and remedial action to be taken to address any areas where the business is not meeting its KPIs. With regards to recruitment agents and partner universities, there are dedicated relationship managers focussing on engagement and dialogue, with any potential red flags escalated through the appropriate channels promptly.

The impact of the Company and Group's operations on the community
The Group has as one of its main objectives the continued promotion of its corporate social responsibility. At an operational level, this translates into workforce training, partnering with charitable organisations, encouraging staff in fund raising activities by, for example, fund matching and providing time off for volunteering.

The desirability of the Company and Group maintaining a reputation for high standards of business conduct
Senior management include in its reporting to the Directors measurements against key performance indicators relating to specific initiatives, and against milestones for related activities. Senior management provide regular updates to the Education division of its ultimate parent company. This includes information on business performance. The Group has a high-integrity culture, with appropriate policies, training and processes relating to anti-bribery and corruption and whistleblowing, together with substantial business control functions such as Internal Audit, IT Security, Legal, Compliance and Operational Health & Safety. The Directors continued to oversee most, if not all, of these aspects of the Group throughout the year through quarterly senior management team meetings.

The need to act fairly as between members of the Company and Group
The Group is a wholly owned subsidiary. The ultimate owner of the Group is Graham Holdings Company. Therefore, the Group is deemed to be acting fairly between members on the basis that it has one member and delivers the strategy agreed with its parent entity.

The Strategic Report was approved by the Board and signed on its behalf by:

L Cowan
Director

Date: 23 May 2025

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their report and the financial statements for the year ended 31 December 2024.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The business review and future developments of the Group are described in the Strategic Report on page 1.

RESULTS AND DIVIDENDS

The profit for the year for the Group, after taxation, amounted to £28.5m (2023: profit of £23.0m). Dividends of £5.0m were paid during the year (2023: £21.7m).

DIRECTORS

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

L Cowan
R Dupont
D Jones
A Thick

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year, via Graham Holdings Company, its ultimate parent company, Directors’ and Officers’ liability insurance in respect of itself and its Directors.

EMPLOYEES' INDEMNITIES

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

FINANCIAL RISK MANAGEMENT

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

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

Liquidity risk
Liquidity risk is the risk that insufficient working capital will be generated by the Group's business activities and that in this event suitable sources of funding may not be available. The Group mitigates this risk through Group banking agreements with its subsidiaries and receiving sufficient funding from its ultimate parent company for operations and long-term investment plans. There is no commercial borrowing.

Cash flow risk
Cash flow risk is the risk that there are insufficient funds to meet obligations as they fall due. The Group mitigates this risk by sweeping funds from its subsidiaries into its accounts and by receiving additional funds, if required, from other Group undertakings.

Foreign exchange risk
Foreign exchange risk is the risk that foreign assets or liabilities may be adversely affected by the change in the value of the foreign currencies. Foreign exchange risk on the intercompany balances with the parent company is borne by the parent. Foreign exchange risk on the remaining foreign intercompany balances is borne by the UK Group.

Price risk
The Group has no exposure to equity securities price risk, as it holds no equity investments other than investments in subsidiary companies.

EMPLOYEES

The Group places a high priority on ensuring that its employment policies respect the individual, and offer training, career and personal development opportunities regardless of race or ethnicity, gender, age, religion, nationality, disability, sexual orientation or marital status.

Full and fair consideration is given to the employment of all individuals and reasonable adjustments are made to accommodate the disabilities of the Group's employees, whether these disabilities arose before or during their employment with the Group.

The Group believes that customer satisfaction is key to its continued success. As a result of this, the Group strives to reward the contribution made by motivated and high-performing staff. The main reward mechanism for doing this is via a performance-related annual bonus scheme.

ENGAGEMENT WITH EMPLOYEES

The Group has a well-established structure for communicating and listening to its employees through a variety of channels, including internal publications and Group-wide emails, webcasts, employee meetings and regular engagement surveys.

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

BUSINESS RELATIONSHIPS

The Directors give due consideration to its key stakeholders whilst carrying out the activities of the Group. In assessing its activities, the Directors aim to act in the best interests of the Group, whilst being fair and transparent to its key stakeholders. Details of how the Directors perform their duties whilst giving consideration to key stakeholders can be found in the s.172 statement on page 3.

BRANCHES OUTSIDE THE UK

Details of branches operating outside the UK can be found in Note 15 to the financial statements.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The following scopes outline the categories of emissions to be disclosed:

Scope 1 (Direct emissions): Activities owned or controlled by your organisation that release emissions straight into the atmosphere. They are direct emissions. Examples of scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles, emissions from chemical production in owned or controlled process equipment.

Scope 2 (Energy indirect): Emissions being released into the atmosphere associated with your consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of your organisation’s activities, but which occur at sources you do not own or control.

Scope 3 (Other indirect): Emissions that are a consequence of your actions, which occur at sources which you do not own or control and which are not classed as scope 2 emissions. Examples of scope 3 emissions are business travel by means not owned or controlled by your organisation, waste disposal, or purchased materials or fuels.

The Group’s overall value chain carbon footprint is made up of Scope 2 and 3 emissions and covers a period from 1 January 2024 to 31 December 2024.

Scope 2 emissions consumed and measured throughout 2024 include:
- Electricity (kWh)
- Gas (kWh)
- Water (m3)

Information was obtained via annual energy consumption reports and invoices received in the year. Where the Group was not able to obtain actual and complete consumption data, the Group used actual data that was available in the year and extrapolated that to provide an appropriate estimate.

Scope 3 emissions consumed and measured throughout 2024 include the following transportation:
- Air travel
- Train travel
- Taxi travel
- Mileage

Information was obtained via invoices received from travel/transport agencies where the Group hold an account and receipts supplied by staff to support corporate card spending and personal expense claims.

Carbon emission consumption

CO_2e	2024	2023
Total annual Scope 1 emissions	-	-
Total annual Scope 2 emissions	2,013,925	1,887,564
Total annual Scope 3 emissions	544,953	427,571
Intensity ratio		
Scope 2 emissions / Revenue (£'000s)	9.14	9.24
Scope 3 emissions / Revenue (£'000s)	2.47	2.09

Greenhouse Gas Emissions were calculated using the activity data multiplied by the emission conversion factor per the ‘UK Government GHG Conversion Factors for Company Reporting’.

Although the Group’s scope 2 emissions increased slightly in 2024, a reduction in gas was mitigated by an increase in electricity usage due to an overall increase in occupancy rates. The intensity ratio decreased with respect to revenue. This is mainly due to the company benefitting from a strong Autumn 2023 intake carrying revenue through into 2024.

The Group’s scope 3 emissions increased in 2024 with an increase in international travel. The Marketing and Recruitment team continue to extend their effort offshore to support the Group’s agents and diversify markets from which students are recruited.

The Group endeavours to control its carbon emissions and is conscious of the environmental impact of international travel. Wherever possible, marketing and recruitment activity is conducted either virtually, with in-country staff, or events are coordinated to reduce the amount of travel required. This will continue to be an area of focus and proactive decision making in relation to its strategic approach.

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS

Kaplan International Colleges UK Limited (“the Company”) and its subsidiaries (“the Group”) is a private limited group operating international colleges in the United Kingdom as affiliated colleges of UK Universities, in addition to an online provision, offering higher education programmes for international students as preparation for study at the University to which each college is affiliated (collectively referred to as Pathway colleges), and at other Universities through separate recruitment agreements the Group has in place. The Group offers ancillary services to students including accommodation. The Group receives a placement fee from the University with which it has such a recruitment agreement when the Group’s placement service successfully enrols students onto a programme at that University. The Company and the Group are fully owned by Graham Holdings, a company listed on the NYSE. The Company is on the Office for Students register under the approved (fee cap) category.

The Group is focused on helping its students develop the knowledge, intellectual capacity and professional experience they need for their long-term careers. Courses are designed to be academically demanding, industry relevant, and to inspire students with a real interest in how their chosen discipline plays a role in their future in the current professional world.

The Group had the following governance bodies in place throughout the year:

- Governing Board ("the GB")
- Audit and Risk Committee ("the ARC")
- Senior Management Team (Group level) ("the SMT")
- Academic, Planning & Quality Committee (Group level) ("the APQC")
- New Product Development and Approvals Group (Group level) ("NPDAG")
- Business Approval Group for Programme Developments (Group level) ("BAGPD")
- UK College Executive Management Board (Group level) ("CEMB")
- Joint Strategic Management Board with University Partners (Company level) ("the JSMB")
- College Senior Management Teams (Company level) ("College SMT")
- Pathways Health and Safety Committee (Group level) ("the PH&SC")
- Safeguarding Senior Management Team (Group level) ("the UKP Safeguarding SMT")

These governing bodies were in place throughout 2024. Throughout the year the GB was ultimately accountable for all the Group's activities.

The GB oversaw the work of the Group. The GB ensured that the Group's mission reflected the needs and interests of stakeholders and that it was aligned to its financial plan. The GB was also the principal financial and business authority of the Group, with responsibility to approve the annual budget. The GB met on 4 occasions during the financial year ending 31 December 2024.

The GB develops and implements the strategic plan for the Group. Its responsibilities include leadership, operational planning and management, risk management, financial planning, resource planning and management, managing stakeholder relationships (including industry partners), safeguarding practice and legal obligations.

The SMT reports to the GB and is the senior executive decision-making body for the Group.

The APQC has oversight of academic management, maintenance and enhancement of academic quality and standards, provision of appropriate learning opportunities for students and the encouragement of a thriving community of scholarship, professionalism and research.

The NPDAG ensures the new product portfolio within the Group evolves in line with sector developments, market demand and the strategic objectives of the Group. The BAGPD fulfils a similar role except with a focus on the existing product portfolio of the Group.

The CEMB is responsible for all matters regarding the effective planning, development and management of the Group's colleges.

Each of the Group's companies operates a JSMB (or equivalent) with its university partner. Each JSMB scrutinises, oversees and monitors the strategic performance of the respective university partnership.

Each of the Group's companies holding a Pathway college operates a College SMT. The College SMT is responsible for advising and supporting the College Director in the strategic leadership and medium to long term management of the operations of the college, helping to ensure the effective and efficient delivery of all teaching, student support and associated services.

The ARC is responsible for examining risk management control and governance under delegation from the GB and its membership is entirely independent of the Group's executive management. It helps the GB discharge its responsibility for adequate and effective risk management, control and governance (including ensuring the probity of the financial statements) and for the economy, efficiency and effectiveness of the Group's activities. The ARC utilises an outsourced Internal Audit function, as well as testing under the Sarbanes Oxley framework to gain assurance on the effectiveness of controls. The ARC summarises its activities in an annual report to the GB as well as through the minutes of ARC meetings to provide assurance to the GB. In 2024 the ARC introduced two new assurance maps to provide further visibility over risk and its management, and ARCs delivery of assurance to the GB.

The PH&SC is responsible for providing assurance that health and safety performance is compliant with statutory requirements and with the goals set by Kaplan International and their Health and Safety Steering Group. They are responsible for proposals for implementing Kaplan International Health and Safety Policy and for maintaining a plan for delivering Kaplan International strategic objectives and monitoring of performance against that plan. They also ensure effective consultation and communication with staff and student representatives.

The UKP Safeguarding SMT has the responsibility to ensure the UK Pathways business, including activities undertaken by contracted 3rd parties, are working within the requirements of applicable safeguarding legislation and guidance and the KI Pathways Safeguarding & Prevent Policy and oversees continued improvement to enhance safeguarding practices within UK Pathways.

The Group is committed to operating in a transparent manner. Its consolidated accounts are publicly available from Companies House and are due to be published on its website from May 2025.

Appointment of Governing Board

The GB members include senior management of the Group and the wider Kaplan organisation, with two independent external members appointed as Non-Executive Directors.

Principal and Accountable Officer

Linda Cowan holds the office of Managing Director for the Company. She is responsible for the overall management, direction and organisation of the Company. The Managing Director is the designated Accountable Officer, as defined by the Office for Students. The Managing Director is a member of the GB, the SMT, the NPDAG, the CEMB, and the Company level JSMBs.

Statement of Governing Body's responsibilities

The GB had the following responsibilities during the year:

- Review and approve the strategic goals and strategy of the Group, covering long term academic and business plans and key performance indicators (KPI’s).
- Review and monitor the performance of the Group against KPI’s that contribute to the strategic goals and strategy, including student outcomes.
- Review and monitor the financial performance of the Group against financial goals.
- Review and monitor the systems of control and accountability, including financial and operational controls and risk assessment.
- Review and maintain an effective framework in place to manage the quality of learning and teaching and to maintain academic standards; and to ensure that the welfare of students is secured.
- Review and maintain an effective human resources strategy along with procedures for handling internal grievances and managing conflicts of interest.
- Review and maintain systems in place for meeting the legal obligations, including to ensure accountability for Safeguarding and Prevent duty compliance, health, safety and security and for equality, diversity and inclusion.
- Review and ensure student welfare is effectively managed and monitored across the Group, including systems for reporting and learning from any incidents and/or trend information.
- Promoting a culture which supports inclusivity across the Group and ensuring the public interest governance principle of the OfS are upheld and delivered.
- Review and maintain effective plans in place to comply with requirements set out by the Office for Students (OfS).

Statement of Internal Control

The GB is responsible for the Group's internal controls and for reviewing the effectiveness of these controls.

The Group's system of internal control is an ongoing process designed to manage rather than eliminate the risk of failure to achieve its strategic aims and objectives. It seeks to identify the main risks to the achievement of the Group’s strategic aims and objectives, and to evaluate and manage those risks effectively. This system was in place for the financial year ending 31 December 2024 and up to the date of approval of the financial statements. There are no significant internal control weaknesses or failures to report.

The following provides a summary of arrangements in place:

- The GB meets up to 4 times per annum to consider the mission and strategic plan of the Company and to monitor performance against those plans;

- The GB has responsibility for strategic planning and management, risk management, financial planning, resource planning and management, managing stakeholder relationships (including industry partners) and legal obligations;

- The Group maintains a risk register which is reviewed regularly, through which the GB is able to evaluate the likelihood and impact of risks becoming a reality. The risk register covers business, operational and compliance risk as well as financial risk;

- The GB has responsibility for approving the Group's budget and ensures regularity and propriety through regular scrutiny; and

- The GB receives regular reports on performance and areas of risk, including progress reports on key projects and action plans, as well as the annual report from the ARC in relation to the responsibilities GB had delegated to it.

OFFICE FOR STUDENTS REPORTING

The Directors confirm that whilst the primary purpose of reporting is to meet the requirements of Companies Act, the financial statements have been prepared in accordance with the requirements of Regulatory Advice 9 (Ref: OFS 2019.41).

GOING CONCERN

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

POST BALANCE SHEET EVENTS

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

AUDITORS

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

This report was approved by the Board and signed on its behalf by:

L Cowan
Director

Date: 23 May 2025

Palace House
3 Cathedral Street
London
SE1 9DE

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice(United Kingdom Accounting Standards, comprising FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group and Company for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Directors 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.

In the case of each Director in office at the date the Directors’ Report is approved:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KAPLAN INTERNATIONAL COLLEGES U.K. LIMITED

OPINION

We have audited the financial statements of Kaplan International Colleges U.K. Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity, the Consolidated Analysis of Net Debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students' Accounts Direction (OfS 2019.41).

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

OPINION ON OTHER MATTERS PRESCRIBED BY THE OFFICE FOR STUDENTS' ACCOUNTS DIRECTION (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislaion.

Under the Office for Students' Accounts Direction, we are required to report to you if we have anything to report in respect of the following matters:

- The grant and fee income, as disclosed in note 5 to the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 13, 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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management and those charged with governance concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- undertaking these procedures in relation to significant components as considered appropriate;
- reading minutes of meetings of those charged with governance; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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

USE OF OUR REPORT

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

Bishop Fleming LLP

John Talbot FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL
Date: 23 May 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	**Year ended 31 December 2024 £000**	Year ended 31 December 2023 £000
Turnover	4	**221,944**	212,449
Cost of sales		**(102,885)**	(97,089)
Gross profit		**119,059**	115,360
Administrative expenses		**(92,205)**	(91,012)
Exceptional release of intercompany balance provision	13	**3,659**	-
Operating profit	6	**30,513**	24,348
Income from participating interests		**904**	672
Interest receivable and similar income	9	**4,726**	5,393
Interest payable and similar expenses	10	**-**	(1,455)
Profit before taxation		**36,143**	28,958
Tax on profit	11	**(7,647)**	(5,919)
Profit for the financial year		**28,496**	23,039
Other comprehensive income		**(1,302)**	(1,463)
Other comprehensive income for the year		**(1,302)**	(1,463)
Total comprehensive income for the year		**27,194**	21,576

The notes on pages 28 to 54 form part of these financial statements.

KAPLAN INTERNATIONAL COLLEGES U.K. LIMITED
REGISTERED NUMBER:05268303

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note		As at 31 December 2024 £000		Restated As at 31 December 2023 £000
Fixed assets					
Tangible assets	14		**44,665**		49,212
Investments	15		**1,127**		876
			45,792		50,088
Current assets					
Debtors: amounts falling due within one year	16	**204,604**		214,846	
Cash at bank and in hand	17	**14,892**		12,765	
		219,496		227,611	
Creditors: amounts falling due within one year	18	**(176,461)**		(209,213)	
Net current assets			**43,035**		18,398
Total assets less current liabilities			**88,827**		68,486
Provisions for liabilities					
Other provisions	20	**(4,076)**		(3,180)	
			(4,076)		(3,180)
Net assets			**84,751**		65,306
Called up share capital	21		**-**		-
Share premium account	22		**17,000**		17,000
Capital contribution	22		**900**		900
Foreign exchange reserve	22		**(2,715)**		(1,413)
Profit and loss account	22		**69,566**		48,819
			84,751		65,306

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

L Cowan
Director

Date: 23 May 2025

The notes on pages 28 to 54 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note		**As at 31 December 2024 £000**		Restated As at 31 December 2023 £000
Fixed assets					
Tangible assets	14		**3,468**		5,397
Investments	15		**2,041**		2,041
			5,509		7,438
Current assets					
Debtors: amounts falling due within one year	16	**206,287**		200,575	
Cash at bank and in hand	17	**12,909**		12,066	
		219,196		212,641	
Creditors: amounts falling due within one year	18	**(163,871)**		(171,491)	
Net current assets			**55,325**		41,150
Total assets less current liabilities			**60,834**		48,588
Provisions for liabilities					
Deferred taxation	19	**-**		(140)	
Other provisions	20	**(78)**		(16)	
			(78)		(156)
Net assets			**60,756**		48,432

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024**

	Note		2024 £000		2023 £000
Capital and reserves					
Called up share capital	21		**-**		-
Share premium account	22		**17,000**		17,000
Capital contribution	22		**900**		900
Profit and loss account brought forward		**30,532**		37,260	
Profit for the year		**17,516**		15,016	
Dividends and other distributions		**(5,192)**		(21,744)	
Profit and loss account carried forward			**42,856**		30,532
			60,756		48,432

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

L Cowan
Director

Date: 23 May 2025

The notes on pages 28 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium account	Capital contribution	Foreign exchange reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2024	-	17,000	900	(1,413)	48,819	65,306
Profit for the financial year	-	-	-	-	28,496	28,496
Other comprehensive income for the year	-	-	-	(1,302)	-	(1,302)
Dividends Paid	-	-	-	-	(5,000)	(5,000)
Distributions in specie	-	-	-	-	(2,749)	(2,749)
AT 31 DECEMBER 2024	**-**	**17,000**	**900**	**(2,715)**	**69,566**	**84,751**

The notes on pages 28 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium account	Capital contribution	Foreign exchange reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2023	-	17,000	900	50	47,524	65,474
Profit for the financial year	-	-	-	-	23,039	23,039
Other comprehensive income for the year	-	-	-	(1,463)	-	(1,463)
Dividends Paid	-	-	-	-	(21,744)	(21,744)
At 31 December 2023	**-**	**17,000**	**900**	**(1,413)**	**48,819**	**65,306**

The notes on pages 28 to 54 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium account	Capital contribution	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 January 2024	-	17,000	900	30,532	48,432
Profit for the financial year	-	-	-	17,516	17,516
Dividends Paid	-	-	-	(5,000)	(5,000)
Distribution in specie	-	-	-	(192)	(192)
AT 31 DECEMBER 2024	-	17,000	900	42,856	60,756

The notes on pages 28 to 54 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium account	Capital contribution	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 January 2023	-	17,000	900	37,260	55,160
Profit for the financial year	-	-	-	15,016	15,016
Dividends Paid	-	-	-	(21,744)	(21,744)
At 31 December 2023	-	17,000	900	30,532	48,432

The notes on pages 28 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December 2024 £000	Restated Year ended 31 December 2023 £000
Cash flows from operating activities		
Profit for the financial year	**28,496**	23,039
Adjustments for:		
Depreciation of tangible assets	**6,804**	6,382
Write-off of tangible assets	**140**	114
Other tangible asset adjustments	**(1,153)**	-
Interest payable	**-**	1,455
Interest receivable	**(4,726)**	(5,393)
Taxation charge	**7,647**	5,919
Decrease in debtors	**12,518**	27,637
(Decrease) in creditors	**(34,343)**	(26,116)
Increase in provisions	**896**	121
Share of operating profit in associates	**(904)**	(672)
Corporation tax (paid)	**(6,355)**	(5,397)
Differences arising on translation of foreign operations	**(1,302)**	(1,463)
Net cash generated from operating activities	**7,718**	25,626

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £000	2023 £000
Cash flows from investing activities		
Purchase of tangible fixed assets	**(1,244)**	(3,063)
Dividends received from associated undertakings	**653**	948
Net cash from investing activities	**(591)**	(2,115)
Cash flows from financing activities		
Dividends paid	**(5,000)**	(21,744)
Net cash used in financing activities	**(5,000)**	(21,744)
Net increase in cash and cash equivalents	**2,127**	1,767
Cash and cash equivalents at beginning of year	**12,765**	10,998
Cash and cash equivalents at the end of year	**14,892**	12,765
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**14,892**	12,765
	14,892	12,765

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2024

	At 1 January 2024 £000	Cash flows £000	At 31 December 2024 £000
Cash at bank and in hand	**12,765**	**2,127**	**14,892**
Cash at bank and in hand	**12,765**	**2,127**	**14,892**

The notes on pages 28 to 54 form part of these financial statements.

1. GENERAL INFORMATION

Kaplan International Colleges U.K. Limited ("the Company") and its subsidiaries (collectively "the Group") operates international colleges as affiliated colleges as well as having separate recruitment agreements into various UK universities. The Group offers higher education programmes for international students as preparation for study at UK Universities at the international colleges it operates. Where the Group's University placement service successfully enrol students into Universities with which it has recruitment agreements, it receives a placement fee.

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

The Company and Group has an accounting reference date of 31 December and has previously prepared financial statements stating the date the accounts were prepared to, being within 7 days of this date. Last year, the financial statements were stated as prepared for the year ended 31 December 2023. This year, the financial statements are prepared for a 52-week period ended 28 December 2024, but the references to dates have been changed to 'year ended 31 December' and 'as at 31 December'.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The financial statements conform to guidance published by the Office for Students (OfS) in the Regulatory advice 9: Accounts Direction (OfS 2019.41).

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase 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. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The consolidated financial statements have been prepared in conjunction with FRS 102 Associates and Joint Ventures. The associate has been included within the consolidated financial statements using the equity method, with the share of profits owned being included immediately after group reporting results.

2. ACCOUNTING POLICIES (continued)

2.3 GOING CONCERN

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

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'Administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. ACCOUNTING POLICIES (continued)

2.5 TURNOVER

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

Turnover, in the form of tuition fees and enrolment fees, is recognised over the number of teaching weeks of the relevant course, which may span a financial year. Any receipts in advance of a course starting date are held on the Statement of Financial Position as deferred income to the extent that they are non refundable under the Students Terms and Conditions.

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

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

Turnover relating to placement fees earned from the University are due on and are recognised in full on enrolment of students from the International College on the University programmes.

Turnover that arises from charging group companies management fees for the provision of support function services and strategic leadership is recognised annually, using a cost plus model.

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

2.6 OPERATING LEASES: THE GROUP AS LESSEE

Rents due under operating leases are charged to the Statement of Comprehensive Income based on the amount contractually due for the year. Operating leases where increases are not deemed inflationary are charged on a straight-line basis over the period of the lease. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

2.7 INTEREST INCOME

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

2.8 FINANCE COSTS

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

2. ACCOUNTING POLICIES (continued)

2.9 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.10 SHARE BASED PAYMENTS

Restricted shares are awarded to certain employees by the Group's ultimate holding company. The fair value of the shares at the date of grant are charged to the Group on a straight-line basis over the vesting period, and the Group expenses them in Statement of Comprehensive Income on the same basis.

Non-market vesting conditions are taken into account by adjusting the number of restricted shares expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

2.11 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

2. ACCOUNTING POLICIES (continued)

2.12 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.13 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	- 50 years
Leasehold improvements	- life of lease
Fixtures and fittings	- 3 to 5 years
Computer equipment	- 3 years

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

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

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

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. A review is carried out annually by the Directors to assess if any indicators of impairment exist.

2.14 VALUATION OF INVESTMENTS

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

2.15 DEBTORS

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

2. ACCOUNTING POLICIES (continued)

2.16 CASH AND CASH EQUIVALENTS

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

2.17 CREDITORS

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

2.18 PROVISIONS FOR LIABILITIES

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit and loss account.

2.19 CONTINGENT LIABILITIES

Contingent liabilities are disclosed when an event has taken place that gives rise to a possible but uncertain obligation or a present obligation that is not recognised because it fails to meet one or both of the conditions required to meet the criteria of a provision.

2. ACCOUNTING POLICIES (continued)

2.20 FINANCIAL INSTRUMENTS

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

2.21 DIVIDENDS AND DISTRIBUTIONS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

Distributions in specie are recognised once the company formally executes the related transaction.

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

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

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

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

There is an additional estimate surrounding the lease life. When break clauses are included in the contract it must be estimated as to whether they will be used. This affects the release of rent-free accruals, as well as other costs relating to the leased building.

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

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

A contingent liability is disclosed when an event has taken place that gives rise to a possible but uncertain obligation or a present obligation that is not recognised because it either cannot be reliably estimated or the outflow of resources required to settle the obligation is less than probable but more likely than remote. As above, whether a present obligation is probable or not requires judgement and in some circumstances the extent of the outflow of resources also requires judgement. The following judgement has been made in connection with the contingent liability relating to certain property matters. In connection with subsidiary undertakings Kaplan Glasgow Limited and Kaplan Brighton Limited, defects have been identified in buildings leased by the Companies. At this stage, the scope and cost to remediate the defects is unknown. In connection with subsidiary undertaking Kaplan Bournemouth Limited, the final amount payable in connection with certain building works is not able to be estimated reliably because the final amount payable is dependent on information outside of the Directors’ control and not currently available to them.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Where impairment triggers are identified, the recoverable amount of an investment is generally determined by its value in use, which is derived from discounted cash flow calculations. Judgment is required to determine whether impairment indicators exists. The key inputs into the cash flow calculations include the estimate of growth rates, discount rates and length of contract. Judgment is required in relation to the achievability of the long-term business plan and macroeconomic assumptions underlying the valuation process. Pre-tax cash flows for the year are based on Group's Senior Management Team approved business plans and are thereafter based on long term growth rates.

The Group assesses the impairment of investments in subsidiaries whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

4. TURNOVER

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

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Tuition fees	**143,426**	137,644
Accommodation income	**35,596**	32,648
University placement fees	**16,309**	14,421
Other income	**18,073**	19,568
Management fees from group companies	**8,540**	8,168
	221,944	212,449

Analysis of turnover by country of destination:

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
United Kingdom	**215,423**	204,421
Rest of the world	**6,521**	8,028
	221,944	212,449

5. OFS GRANT AND FEE INCOME

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Grant income from the OFS	**-**	-
Grant income from other bodies	**-**	-
Fee income for taught awards (ex. VAT)	**14,549**	15,181
Fee income for research awards (ex. VAT)	**-**	-
Fee income from non-qualifying courses (ex. VAT)	**128,877**	122,463
	143,426	137,644

6. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 31 December 2024 £000	Restated Year ended 31 December 2023 £000
Fees payable to the Group's auditors for the audit of the Company's financial statements	**45**	37
Fees payable to the Group's auditors for the audit of the Company's subsidiaries	**173**	177
Fees payable to the Group's auditors in respect of other services and taxation	**49**	48
Operating lease charges - land and buildings	**28,654**	28,086
Operating lease charges - plant and machinery	**12**	24
Impairment and write-off of trade receivables	**1,470**	2,733
Depreciation of tangible fixed assets (note 14)	**6,804**	6,382
Loss on disposal of tangible fixed assets	**140**	114
Foreign exchange (gains)/losses	**(663)**	(456)

7. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	Group Year ended 31 December 2024 £000	Group Year ended 31 December 2023 £000	**Company Year ended 31 December 2024 £000**	Company Year ended 31 December 2023 £000
Wages and salaries	**53,428**	50,859	**24,401**	24,819
Social security costs	**5,548**	5,341	**2,725**	2,875
Cost of defined pension contribution scheme	**1,745**	1,504	**850**	716
	60,721	57,704	**27,976**	28,410

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

	Group Year ended 31 December 2024 No.	Group Year ended 31 December 2023 No.	**Company Year ended 31 December 2024 No.**	Company Year ended 31 December 2023 No.
Tuition	**631**	559	**23**	19
Administration	**841**	770	**400**	372
	1,472	1,329	**423**	391

7. EMPLOYEES (CONTINUED)

The Company is registered with the Office for Students (OfS) regarding its UK Pathways Colleges in England. As part of the ongoing requirements of registration, the following disclosures are required in respect of the Head of Provider.

The Head of Provider’s remuneration package includes a basic salary of £243k (2023: £231k) and pension contributions of £12k (2023: £12k). In 2025, a bonus of £129k was awarded relating to the previous year. Of this, £99k was paid to the Head of Provider and £30k was forfeited. (2023: Bonus awarded in 2024 but relating to 2023 was £194k. £116k paid and £79k forfeited).

The Head of Provider’s basic pay is 7 times (2023: 7.01) higher than the median basic pay of staff. The Head of Provider’s total remuneration is 10 times (2023: 10.35) the median total remuneration of staff.

A long-term investment plan vested in January 2025, relating to the 2024 performance of the business. The award was £163k. There were no long-term investment plans that vested in 2024 relating to the 2023 performance of the business.

The Head of Provider continues to be part of long-term incentive plans established by the Group’s parent company which may make awards in future periods, and which will be disclosed as and when those awards vest.

The Head of Provider holds restricted stock of the Graham Holdings Company in connection to both their role as Head of Provider but also their broader leadership responsibilities within the Kaplan Inc Group. There were no new shares granted in the year (2023: 205) and no shares vested in the year (2023: 100 shares vested with a value of £50k). The number of restricted shares brought forward from 2023 was 439. The Graham Holdings share price is driven by its diversified business holdings in the automotive, manufacturing, media, healthcare, hospitality, data and education sectors, amongst others. As at the 2024 year-end, the Head of Provider holds 439 unvested restricted stock options in Graham Holdings Company.

The Head of Provider receives private medical insurance with a benefit value of £891 (2023: £746).

The Head of Provider’s remuneration package is based on several factors. As well as being responsible for a portfolio of 10 International Pathway Colleges in the UK and a digital Pathway offering, the Head of Provider plays a key part in building and maintaining relationships with partner universities. The Head of Provider also takes a leading role in shaping the strategic direction of the Group and actively contributes, through her membership of the Kaplan Leadership Group, to the strategic direction of the broader group of businesses that form the Education Division of the Group’s ultimate parent, Graham Holdings Company. The Head of Provider’s total remuneration package is proposed by the Senior Vice President of the Higher Education division of Kaplan International and is reviewed and approved by the Kaplan Inc. remuneration committee. Kaplan Inc. is the Education Division of the Group’s ultimate parent, Graham Holdings Company.

The number of staff with a basic salary of over £100,000 per annum employed by Kaplan International Colleges UK Limited is disclosed below. 19 (2023: 18) of these staff are employed in roles with responsibility across a significant number of Kaplan businesses and therefore these broader responsibilities are reflected in the salary they receive. Their full basic salary has been used for the purpose of this disclosure as it is not possible to make an appropriate apportionment of their time across the range of Kaplan businesses they serve.

7. EMPLOYEES (CONTINUED)

£100k+ salary bands

	2024	2023
£100,000 - £104,999	7	7
£105,000 - £109,999	4	1
£110,000 - £114,999	2	-
£115,000 - £119,999	-	-
£120,000 - £124,999	2	2
£125,000 - £129,999	1	5
£130,000 - £134,999	5	2
£135,000 - £139,999	1	1
£140,000 - £144,999	1	0
£145,000 - £149,999	-	1
£150,000 - £154,999	1	3
£155,000 - £159,999	3	1
£160,000 - £164,999	-	1
£165,000 - £169,999	1	-
£170,000 - £174,999	-	-
£175,000 - £179,999	1	-
£180,000 - £184,999	-	1
£185,000 - £189,999	1	-
£190,000 - £204,999	-	-
£205,000 - £209,999	-	1
£210,000 - £214,999	-	-
£215,000 - £219,000	1	-
£220,000 - £224,999	-	1
£225,000 - £229,999	-	1
£230,000 - £234,999	-	1
£235,000 - £239,999	-	-
£240,000 - £244,999	1	-
£245,000 - £299,000	-	-
£300,000 - £324,999	-	-
£325,000 - £329,999	-	1
£330,000 - £339,999	-	-
£340,000 - £344,999	1	-
	33	30

The total amount of compensation paid for loss of office was as follows:

	2024	2023
	£000s	£000s
Total amount paid across the company for loss of office	**535**	160
No. of employees to which this relates	**20**	26

None of the amounts paid in respect to compensation of loss of office relate to the Head of Provider.

8. DIRECTORS' REMUNERATION

Remuneration and pension contributions for one Director (2023: one) was borne by Aspect Education Limited which is a fellow group undertaking. Details of their remuneration can be found in the financial statements of those entities. It is not possible to make an appropriate apportionment for the element of remuneration which relates to the Group. Remuneration and pension contributions for another Director was borne by Kaplan Learning Institute Pte Ltd (2023: one). Remuneration payable to the two Directors (2023: two) was as follows:

	Year Ended 31 December 2024 £000	Year Ended 31 December 2023 £000
Directors' emoluments	**1,147**	1,085
Long term incentive schemes	**125**	102
Group contributions to defined contribution pension schemes	**22**	27
	1,294	1,214

The highest paid Director received remuneration of £764k (2023:£845k).

At 31 December 2024, two (2023: two) Directors held 878 B Class Common Stock in the Company's ultimate parent (2023: 878) Graham Holding Company which was granted under a share incentive scheme issuing restricted stock. The shares are exercised for £Nil consideration at the end of the vesting period. Of the 878 stocks that were carried forward to 2024, none vested in 2024 (2023: 430) and 468 will vest in 2025. No new stocks were granted in 2024 (2023: 410, which will vest in 2027).

Compensation expense is charged to the Group and recognised on a straight-line basis over the four-year vesting period. The charge for the year was £111k (2023: £117k) Directors must be employees at the end of the vesting period to receive the restricted shares.

9. INTEREST RECEIVABLE

	Year Ended 31 December 2024 £000	Year Ended 31 December 2023 £000
Interest received and similar income	**4,726**	5,393
	4,726	5,393

Intercompany interest is receivable on an unsecured loans received from companies within the Kaplan group being Kaplan UK Limited.

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31 December 2024 £000	Year Ended 31 December 2023 £000
Bank interest payable	**-**	1,455
	-	1,455

Intercompany interest is payable on unsecured loans received from companies within the Kaplan group being Kaplan UK Limited.

11. TAXATION

	Year Ended 31 December 2024 £000	Year Ended 31 December 2023 £000
CORPORATION TAX		
Current tax on profits for the year	**3,822**	3,255
Adjustments in respect of previous periods	**(489)**	(120)
	3,333	3,135
Group taxation relief	**4,333**	3,794
	7,666	6,929
FOREIGN TAX		
Foreign tax on income for the year	**606**	(701)
	606	(701)
TOTAL CURRENT TAX	**8,272**	6,228
DEFERRED TAX		
Origination and reversal of timing differences	**(965)**	(475)
Adjustments in respect of prior period	**340**	166
TOTAL DEFERRED TAX	**(625)**	(309)
	7,647	5,919

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2023:lower than) the standard rate of corporation tax in the UK of 25% (2023:23.47%). The differences are explained below:

	Year Ended 31 December 2024 £000	Year Ended 31 December 2023 £000
Profit on ordinary activities before tax	**36,143**	28,958
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023:23.47%)	**9,036**	6,796
EFFECTS OF:		
Expenses not deductible for tax purposes	**(40)**	290
Capital allowances for year in excess of depreciation	**323**	297
Income disallowed for tax purposes	**(1,452)**	(394)
Adjustments to tax charge in respect of prior periods - corporation tax	**(489)**	(938)
Adjustments to tax charge in respect of prior periods - deferred tax	**331**	165
Remeasurement of deferred tax for change in tax rates	**-**	(17)
Difference between UK and foreign tax rates	**516**	(280)
Other movements	**(578)**	-
TOTAL TAX CHARGE FOR THE YEAR	**7,647**	5,919

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

12. DIVIDENDS AND DISTRIBUTIONS

	31 December 2024 £000	31 December 2023 £000
Dividends paid	**5,000**	21,744
	5,000	21,744

During the year, the Group forgave £2,749k (company: £192k) of debt due from other group companies resulting in a distribution in specie of the same amount.

13. EXCEPTIONAL ITEMS

	2024 £000	2023 £000
Exceptional release of intercompany balance provision	**(3,659)**	-
	(3,659)	-

14. TANGIBLE FIXED ASSETS

Group

	Long-term leasehold property £000	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
COST						
At 1 January 2024	**28,377**	**20,247**	**11,413**	**11,058**	**780**	**71,875**
Additions	**-**	**1,170**	**201**	**191**	**835**	**2,397**
Disposals	**(19)**	**-**	**(6)**	**(75)**	**(140)**	**(240)**
Transfers between classes	**(90)**	**159**	**-**	**528**	**(597)**	**-**
At 31 December 2024	**28,268**	**21,576**	**11,608**	**11,702**	**878**	**74,032**
DEPRECIATION						
At 1 January 2024	**2,297**	**8,180**	**5,356**	**6,830**	**-**	**22,663**
Charge for the year on owned assets	**573**	**2,355**	**1,263**	**2,613**	**-**	**6,804**
Disposals	**(19)**	**-**	**(6)**	**(75)**	**-**	**(100)**
At 31 December 2024	**2,851**	**10,535**	**6,613**	**9,368**	**-**	**29,367**
NET BOOK VALUE						
At 31 December 2024	**25,417**	**11,041**	**4,995**	**2,334**	**878**	**44,665**
At 31 December 2023	26,080	12,067	6,057	4,228	780	49,212

14. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Assets under construction £000	Total £000
COST					
At 1 January 2024	**714**	**242**	**10,040**	**789**	**11,785**
Additions	**77**	**-**	**50**	**661**	**788**
Disposals	**-**	**-**	**-**	**(140)**	**(140)**
Transfers between classes	**69**	**-**	**528**	**(597)**	**-**
At 31 December 2024	**860**	**242**	**10,618**	**713**	**12,433**
DEPRECIATION					
At 1 January 2024	**105**	**69**	**6,214**	**-**	**6,388**
Charge for the year on owned assets	**134**	**48**	**2,395**	**-**	**2,577**
At 31 December 2024	**239**	**117**	**8,609**	**-**	**8,965**
NET BOOK VALUE					
At 31 December 2024	**621**	**125**	**2,009**	**713**	**3,468**
At 31 December 2023	609	173	3,826	789	5,397

15. FIXED ASSET INVESTMENTS

Group

	Investments in joint ventures £000
COST AND NET BOOK VALUE	
At 1 January 2024	**876**
Share of profit for the year	**904**
Dividends received	**(653)**
At 31 December 2024	**1,127**

The share of profit disclosed in the consolidation above relates to the investment in University of York International Pathway College LLP.

The balance as at 31 December 2022 was £1,152k, with a £672k share of profit and £948k dividends received, resulting in a closing position at 31 December 2023 of £876k.

Company

	Investments in subsidiaries £000
COST AND NET BOOK VALUE	
At 1 January 2024	**2,041**
At 31 December 2024	**2,041**

The investments held at cost in the Company are in relation to the investment in Kaplan Bournemouth Limited (£2m) and the investment in Kaplan International Colleges Limited, based in Nigeria (£41k).

In the year, no impairment charges have been recognised in relation to either of these investments.

15. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Kaplan NT Limited	England & Wales	Higher Education	Direct	100%
Kaplan Glasgow Limited	England & Wales	Higher Education	Direct	100%
Kaplan Liverpool Limited	England & Wales	Higher Education	Direct	100%
Kaplan International College London Limited	England & Wales	Higher Education	Direct	100%
Kaplan Brighton Limited	England & Wales	Higher Education	Direct	100%
Kaplan UWE Limited	England & Wales	Higher Education	Direct	100%
Kaplan Bournemouth Limited	England & Wales	Higher Education	Direct	100%
Kaplan York Limited	England & Wales	Higher Education	Direct	100%
Kaplan Colleges Private Limited	India	Representative Office	Direct	99%
Kaplan International Colleges (Private) Limited	Pakistan	Dormant	Direct	100%
Kaplan International Colleges Limited	Nigeria	Representative Office	Direct	100%
Kaplan Qatar Limited	England & Wales	Dormant	Direct	100%
Kaplan Nottingham Limited	England & Wales	Higher Education	Direct	100%
Kaplan Estates Limited	England & Wales	Property Management	Direct	100%
Kaplan Partner Services HK Limited	Hong Kong	Higher Education	Direct	100%
Kaplan Essex Limited	England & Wales	Higher Education	Direct	100%

In the opinion of the Directors the investments in and amounts due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the Statement of Financial Position.

Associate	Country of incorporation	Principal activity	Interest in associate
University of York International Pathway College LLP	England & Wales	Higher Education	45%

16. DEBTORS

	Group	Group Restated	**Company**	Company Restated
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
	£000	£000	**£000**	£000
Trade debtors	**10,347**	12,635	**1,201**	396
Amounts owed by group undertakings	**141,254**	150,326	**191,333**	187,479
Other debtors	**3,386**	4,418	**1,874**	2,916
Prepayments and accrued income	**48,969**	47,118	**11,064**	9,784
Deferred taxation (note 19)	**648**	349	**815**	-
	204,604	214,846	**206,287**	200,575

Trade debtors are stated after provisions for impairment. Provisions for impairment as at 31 December 2024 were £2,924k (2023: £3,345k).

The amounts due from group undertakings are unsecured repayable on demand and bear interest at SONIA.

There are no other debtor balances due after more than one year (2023: £NIL).

Management reviewed year-end amounts due from certain counterparties (unrelated to student fees) that were invoiced after year end and reclassified £7,050k from trade debtors to accrued income as a prior year adjustment to better reflect their nature. The Group impact of this prior year reclassification was to reduce trade debtors by £7,057k, other debtors by £10,743k and increase accrued income by £17,800k, with no impact on the prior year profit and loss.

Students are invoiced for the entirety of their course, including terms that under the Terms and Conditions are not collectable if a student withdraws during their course. All terms were initially recorded as trade debtors and deferred income. Management revised the accounting treatment to offset the amounts within trade debtors and deferred income that would not be respectively collectable or recognisable in the event of a student's withdrawal, to provide a clearer view of expected future cash inflows and revenues. As a result, comparative trade debtors and deferred income were reduced by £163k at a company level and £14,457k at Group level, with no impact on the prior year profit and loss. Consolidated Statement of Cash Flows has been updated to reflect the change in the debtors and creditors movement.

17. CASH AND CASH EQUIVALENTS

	Group 31 December 2024 £000	Group 31 December 2023 £000	**Company 31 December 2024 £000**	Company 31 December 2023 £000
Cash at bank and in hand	**14,892**	12,765	**12,909**	12,066
	14,892	12,765	**12,909**	12,066

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 December 2024 £000	Group Restated 31 December 2023 £000	**Company 31 December 2024 £000**	Company Restated 31 December 2023 £000
Trade creditors	**7,470**	8,566	**126**	439
Amounts owed to group undertakings	**43,556**	58,776	**150,723**	157,668
Amounts owed to joint ventures	**4**	-	**-**	-
Corporation tax	**4,920**	3,329	**958**	270
Other taxation and social security	**5,768**	5,872	**1,594**	1,493
Other creditors	**31**	-	**8**	-
Accruals and deferred income	**114,712**	132,670	**10,462**	11,621
	176,461	209,213	**163,871**	171,491

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

Students are invoiced for the entirety of their course, including terms that under the Terms and Conditions are not collectable if a student withdraws during their course. All terms were initially recorded as trade debtors and deferred income. Management revised the accounting treatment to offset the amounts within trade debtors and deferred income that would not be respectively collectable or recognisable in the event of a student's withdrawal, to provide a clearer view of expected future cash inflows and revenues. As a result, comparative trade debtors and deferred income were reduced by £163k at a company level and £14,457k at group level, with no impact on the prior year profit and loss.

19. DEFERRED TAXATION

Group

	31 December 2024 £000	31 December 2023 £000
At beginning of year	**349**	41
Charged to profit or loss	**299**	308
AT END OF YEAR	**648**	349

Company

	31 December 2024 £000	31 December 2023 £000
At beginning of year	**(140)**	(272)
Charged to profit or loss	**955**	132
AT END OF YEAR	**815**	(140)

	Group 31 December 2024 £000	Group 31 December 2023 £000	**Company 31 December 2024 £000**	Company 31 December 2023 £000
Accelerated capital allowances	**(300)**	(785)	**(128)**	(450)
Short term timing differences	**1,457**	1,315	**943**	310
Other	**(509)**	(181)	**-**	-
	648	349	**815**	(140)

20. PROVISIONS

Group

	Dilapidations provision £000	Total £000
At 1 January 2024	**3,180**	**3,180**
Charged to profit or loss	**896**	**896**
AT 31 DECEMBER 2024	**4,076**	**4,076**

The Group ensures it considers the following three key elements in the context of each lease it holds: assets that are mandated to be replaced; wear and tear considerations; and any building reinstatement requirement when estimating the provision.

As at 31 December 2024, the Statement of Financial Position includes the net present value of any required provision for asset replacement and of any building reinstatement obligation.

Company

	Dilapidations provision £000	Total £000
At 1 January 2024	**16**	**16**
Charged to profit or loss	**62**	**62**
AT 31 DECEMBER 2024	**78**	**78**

21. SHARE CAPITAL

	31 December 2024 £	31 December 2023 £
ALLOTTED, CALLED UP AND FULLY PAID		
2 (2023:2) Ordinary shares of £1 each	**2**	2

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. There were no shares issued during the year (2023: none).

22. RESERVES

Share premium account

The share premium account represents the amount received by the Company over and above the nominal value of issued shares.

Capital redemption reserve

The capital redemption reserve represents the capital contribution received from the parent company.

Foreign exchange reserve

The foreign exchange reserve represents accumulated gains or losses from currency translation of foreign operations arising on consolidation, recorded in equity.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

23. CONTINGENT LIABILITIES

The Group is engaged in a number of lease arrangements across the UK for both the provision of student tuition and accommodation. As part of these lease arrangements, in a number of instances the Group is responsible for the cost of replacing, reinstalling or rectifying the assets where there is a present contractual or statutory requirement. Where settlement of these obligations is considered probable, amounts are recorded in accruals or provisions.

Defects have been identified in a building leased by Kaplan Glasgow Limited. Court proceedings have been raised against the building contractor and others who were involved in the construction of the building, in relation to those defects. At this stage, the scope and cost to remediate the defects is unknown and the legal proceedings in relation to this issue are ongoing.

Defects have been identified in a building leased by Kaplan Brighton Limited. At this stage, the scope and cost to remediate the defects is unknown.

In Kaplan Bournemouth Limited there is a final payable in connection with certain building works. The amount is not able to be estimated reliably because this relates to an agreement involving certain third parties, and the final amount payable is dependent on information that is outside of the Directors' control and not currently available to them.

24. PENSION COMMITMENTS

The Company contributes to a Group Personal Pension Plan administered by Aviva Insurance. The pension charge for the year amounted to £1,745,000 (2023: £1,504,000). At 31 December 2024, there were contributions outstanding of £3,000 (2023: £1,000).

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 December 2024 £000	Group 31 December 2023 £000	**Company 31 December 2024 £000**	Company 31 December 2023 £000
Not later than 1 year	**21,358**	25,522	**586**	673
Later than 1 year and not later than 5 years	**45,079**	44,835	**2,208**	1,540
Later than 5 years	**48,101**	50,356	**1,134**	1,405
	114,538	120,713	**3,928**	3,618

26. RELATED PARTY TRANSACTIONS

There are no related party transactions requiring disclosure as the Company has taken advantage of the exemption within FRS 102 that allows the non-disclosure of transactions or balances with entities that are part of the Group or investments of the Group qualifying as related parties where 100% of the company's voting rights are controlled within the Group. The Company is included in the consolidated financial statements of Graham Holdings Company, which are publicly available.

At the balance sheet date the Group was owed £141.2m (2023: £150.3m) from and owed £43.6m (2023: £58.8m) to fellow group undertakings. Interest income of £4,726k (2023: £5,393k) from short term loans were provided to other group companies. Interest expense of £Nil (2023: £1,455k) from short term loans were provided by other group companies.

The Group has a minority interest in the University of York International Pathway a College LLC (‘UYIPC’). During the year, the Group provided marketing and recruitment services to UYIPC and charged the UYIPC for other items including contributions into a defined contribution pension scheme on behalf of UYIPC staff. The total costs charged to UYIPC in the year were £1.1m (2023: £1.4m). The Group accounts for income from its interest in UYIPC. In this year, this amounted to £0.9m (2023: £0.7m). At the year end the Group was owed £1.2m by UYIPC (2023: £1.0m). The balances are not secured and are not interesting bearing.

27. POST BALANCE SHEET EVENTS

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

28. CONTROLLING PARTY

Throughout the year the Company was a wholly owned subsidiary of the immediate parent undertaking company Kaplan International Holdings Limited, its registered address is Palace House, 3 Cathedral Street, London, England, SE1 9DE. The ultimate controlling party, Graham Holdings Company, is incorporated in the USA. Copies of its consolidated financial statements can be found online on the Graham Holdings company website (www.ghco.com). Its registered address is 1300 North 17th Street, Suite 1700, Arlington VA 22209, United States.