REGISTERED NUMBER: 06009965 (England and Wales)

Annual Report and

Consolidated Financial Statements for the Year Ended 30 June 2023

for

Navitas UK Holdings Limited

Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2023

Company Information
for the Year Ended 30 June 2023

DIRECTORS:	P D Lovegrove R H Wilkinson C G Wood H E Higson
SECRETARY:	Pennsec Limited
REGISTERED OFFICE:	The Lambourn Wyndyke Furlong Abingdon OX14 1UJ
REGISTERED NUMBER:	06009965 (England and Wales)
AUDITORS:	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading Berkshire RG1 3BD

The directors present their strategic report for the year ended 30 June 2023.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activities of Navitas UK Holdings Limited (Group) during the year were that of providing educational and training services through classroom and online courses. The directors do not currently anticipate any change in the Group's business or activities for the foreseeable future.

RESULTS AND DIVIDENDS

The trading results for the year ended 30 June 2023 and the financial position at the end of the year are shown in the attached financial statements. No dividends were paid (2022: £nil). The directors do not recommend payment of a final dividend during the year and up to the date of this report (2022: £nil).

KEY PERFORMANCE INDICATORS AND STRATEGIC REVIEW OF BUSINESS

During the year, the Group’s revenue increased from £54,427,118 to £71,328,051. The 31% increase was primarily driven by increased student volume (from 7,605 to 10,869), stronger international student recruitment (higher tuition fees) and increased service charge earned. Gross profit increased by 8% from £30,706,445 to £33,088,810 due to increased revenue however impacted by higher direct employee costs and royalty charges. The Group has made a profit of £12,455,876 for the year ended 30 June 2023 (2022: £8,264,123). The 51% increase in the profit is a net result of the increased revenue, increased investment income and lower administrative expenses. Net current liabilities, excluding amounts owed to/by Group and Group undertakings – increase of 23% due to decrease in student debt, offset by increase in cash and trade creditors and deferred income.

The Group did not receive grant income from the Office for Students (OfS) or other bodies for the year ending 30 June 2023 (2022: nil). The Group did not have access and participation plan approved by the OfS director for the year ending 30 June 2023 (2022: nil).

Going forward, the directors expect the Group to continue trading as normal (primarily face to face teaching with some online optionality where appropriate) and remain profitable in the next 12 months.

The key performance indicators have been identified as student volumes, turnover, gross margin and regulatory compliance. Turnover and gross margin are discussed in the strategic review above.

Regulatory compliance

A key metric of the Group performance is holding the appropriate regulatory certification and approvals required to deliver its education courses and generate turnover. As at the date of this report the Group continues to meet the ongoing requirements for compliance with the relevant regulatory bodies.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Group does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Interest bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.
The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are shown net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.
The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.
The Group has no significant concentration of credit risk, with its exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses short-term debt finance.

PRINCIPAL RISKS AND UNCERTAINTIES

Ukraine conflict

The Group continues to take an active interest in the development of the ongoing conflict in Ukraine, and resulting sanctions imposed on and by Russia. The Group follows the guidance issued by relevant authorities such are The UK Government, Office for Students, The Office of Financial Sanctions etc. The Group evaluates its operations for risk factors including disruptions or impacts on customers, employees, agents, sanctions, regulatory changes, immigration policy, risk of increased cyberattacks etc. Due to the geographical diversification of our student base, the impact of the Russia-Ukraine conflict on the UK operations has not been significant. The directors do not consider there to be any critical judgement surrounding the application of the Group’s accounting policies in relation to the conflict.

Coronavirus pandemic

Whilst the COVID-19 pandemic continued to impact the operational performance, the business has responded to every challenge presented and the Group performed very strongly in the year ended 30 June 2023.

SECTION 172(1) STATEMENT
The board of directors of Navitas UK Holdings Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2023. In particular, by reference to the approval of our business plan ('our plan') for the period of 2024-28, supported by the board assurance statement accompanying our plan:

- Our plan was designed to have a long-term beneficial impact on the Group and to contribute to its success in creating life-changing opportunities for learners to realise their education and career ambitions. We have trusted partnerships with leading universities in the United Kingdom, Germany, and the Netherlands, supporting their strategic goals and international ambitions with our global resources, experience, and capabilities. Our success is underpinned by the unparalleled international network, commitment to student experiences and outcomes. We work at the forefront of new learning models and understand what our partners and learners need to succeed both now and in the future.

- Our employees are fundamental to the delivery of our plan. Whether they are teachers; at the forefront of learning and teaching practices or in an enabling role, they help learners to become study-ready, work-ready, and world-ready. We are committed to promoting wellness throughout the organisation and ensuring the health and safety of everyone who works for us. Navitas aims to be a responsible employer in our approach to the pay and benefits our employees receive.

- Our duty, in accordance with the Office for Students, is to ensure that all students from all backgrounds, with the ability and desire to undertake higher education, are supported, receive a high quality academic experience and their interests are protected. All students receive value for money and can progress into employment, further study and their qualifications hold their value over time.

- As the Board of Directors, it is our intention to behave responsibly and ensure that management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan.

- As the Board of Directors, it is our intention to behave responsibly toward our shareholders and treat them fairly and equally, so that they too may benefit from the successful delivery of our plan.

- We aim to act responsibly and fairly in how we engage with our agents and suppliers and co-operate with our regulators; all of whom are integral to the successful delivery of our plan.

The directors do not consider there to be any further matters of strategic importance or otherwise required by regulations to be disclosed in this strategic report.

GREENHOUSE GAS EMMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

GHG emissions and energy usage data

	Year ended 30.06.2023	Year ended 30.06.2022
Emissions from combustion of gas (Scope 1 - tonnes of CO2e)	10.73	36.2
Emissions from electricity purchased for own use (Scope 2 - tonnes of CO2e)	1.60	11.86
Emissions from waste (Scope 3 - tonnes of CO2e)	-	24.04
Emissions from water supply (Scope 3 - tonnes of CO2e)	5.12	0.16
Emissions from air business travel (Scope 3 - tonnes of CO2e)	323.04	31.02
Emissions from business travel in rental cars or employee-owned vehicles (Scope 3 - tones of CO2e)	9.74	5.26
Emissions from rail business travel (Scope 3 tonnes of CO2e)	4.08	0.59
Emissions from overnight hotel stay (Scope 3 tonnes of CO2e)	26.98	3.92
Emissions from homeworking (Scope 3 tonnes of CO2e)	31.82	43.51
Total gross tCO2e based on above	**413.12**	**156.56**
Tonnes of CO2e per £m revenue	5.8	2.9

The directors recognise the risk of climate change, and the Group's values include showing respect by valuing and caring for people and the environment. To extend on our values, we have formalised the following organisation mission statement:

Navitas is committed to protecting the environments in which we operate, minimising waste and seeking sustainable energy solutions wherever possible.

We are committed to reducing our impact on the environment by:

- Developing an organisation-wide climate action plan for FY23 and beyond
- Commitment to a long-term, sustained reduction in air travel
- Sustainable travel – cycle to work scheme
- Sustainability in fit-out requirements
- Reduction in printing stock, using sustainable materials
- Commitment to recycling and waste management; and
- Seek Navitas Education partners that are innovative in education and technology to help create a more sustainable world.

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

H. E. Higson

....
P D Lovegrove – Director

Date: 30 November 2023

....
H E Higson - Director

Date: 30 November 2023

The directors present their report with the financial statements and the auditor's of the company and the group for the year ended 30 June 2023.

DIRECTORS
The directors who held office during the year and to the date of this report were as follows:

P D Lovegrove
R H Wilkinson
C G Wood
H E Higson

DIRECTORS' INDEMNITIES
During the year, the Group executed no new qualifying third-party indemnity provisions for the benefit of its directors, and none remains in force from prior years at the date of this report.

RESEARCH AND DEVELOPMENT
No material research and development activities have taken place during the year (2022: £nil).

CHARITABLE DONATIONS
During the year the Group made no charitable contributions (2022: £nil).

GOING CONCERN
The directors have acknowledged the latest guidance regarding going concern. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and accordingly they continue to adopt the going concern basis in preparing the financial statements. The Group is expected to continue to generate positive operating cash flows and holds a significant cash balance. Accordingly, the financial statements have been prepared on a going concern basis, which assumes the continuity of normal operations.

The directors have considered the net current liabilities position of £9,664,723 (2022: £22,496,751) and the profit generated in the year of £13,179,083 (2022: £8,264,123).

The immediate controlling party is Marron Group UK Holdings Limited ("Parent"). The ultimate parent company is Marron Group Holdings Pty Ltd. Marron Group Holdings Pty Ltd and its subsidiaries (referred to as 'Group') is a globally diversified business focused on the provision of educational services to domestic and overseas students.

Marron Group Holdings Pty Ltd has considerable financial resources together with significant revenue streams across different geographic areas and industries and has expressed its willingness to continue to provide support to the Company for the foreseeable future and, in particular, for a period of at least twelve months from the date of these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

ENVIRONMENT
The Navitas Group is a socially responsible organisation and recognises the influence that environmental, social and governance (ESG) factors have on the Group's performance, reputation, and sustainability of its operations, as well as the significance of ESG factors in their own right.

Navitas is committed to protecting the environments in which the Group operate, minimising waste and seeking sustainable energy solutions wherever possible.

The Navitas Group is committed to operate its business in accordance with the Navitas ESG policy globally subject to applicable local laws and regulations. All staff have an obligation to comply with the Navitas policy and share responsibility for the integration of ESG principles into their decision making. The Executive Leadership Team has ultimate responsibility for compliance with the policy across the business and appropriate reporting to the Board.

EMPLOYMENT POLICIES
The Company seeks to ensure that every employee, without exception, is treated equally and fairly and that all employees are aware of their responsibilities.

Our policies and procedures fully support our disabled colleagues. We take active measures to do so via a robust reasonable adjustment policy and processes to ensure colleagues are fully supported.

The Group is responsive to the needs of its employees. As such, should any employee of the Group become disabled during their time with us, we will actively retrain that employee and make reasonable adjustments to their working environment where possible, in order to keep the employee with the Group. It is the policy of the Group that the recruitment, training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE ENGAGEMENT
The directors recognise that our people are fundamental and core to our business and delivery of our strategic objectives. The success of our business depends on attracting, retaining and motivating employees. Personal development of our employees is a key strategic pillar and to this end the Group invests in appropriate training and development. Ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implications of decisions on employees and the wider workforce.

We strive to maintain a robust dialogue between management and our employees. Directors and management regularly engage with our employees through a range of formal and informal channels, including via emails from the Group CEO and Divisional CEO and other senior executives, webcasts, roadshows, townhalls, team meetings and online publications via our intranet. This range of channels enables directors to consult with employees and take their views into account on a regular basis. In addition the Group undertakes group-wide employee surveys and consults with employees on the actions and outcomes arising from these.

The Board considers the current workforce engagement approach effective.

BOARD CONSIDERATION OF EMPLOYEEE-RELATED ISSUES
The Board of Navitas UK Holdings Limited receives updates on employee-related issues at each meeting. Matters are generally considered for Board discussion at the decision of Human Resource Management, although directors and other Board attendees may raise any issues or particular concerns. During the financial year, the Board requested specific information around Covid-19 cases and had close oversight over decisions to mitigate the pandemic effects which had impacts on employees.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
Details of engagement with suppliers, customers and others are contained in the S172 statement in the Strategic Report.

EVENTS AFTER THE BALANCE SHEET DATE
Details of significant events since the balance sheet date are contained in Note 21 in the Notes to the financial statements.

DISCLOSURE IN THE STRATEGIC REPORT
See the Strategic Report for principal activity of the Group, results and dividends, details of the review of the business, key performance indicators, financial risk management objectives and policies, principal risks and uncertainties, future developments and greenhouse gas and other emission which form part of this report by cross-reference.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS
The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

H. E. Higson

....	....
P D Lovegrove – Director	H E Higson – Director
Date: 30 November 2023	Date: 30 November 2023

Statement of Directors' Responsibilities
for the Year Ended 30 June 2023

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

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

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

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

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

Governance Statement
for the Year Ended 30 June 2023

Navitas UK Holdings Limited (NUKH) is committed to the highest standards of governance and probity.

NUKH's Board of Directors (the Board) is unambiguously responsible for the affairs of NUKH and corporate governance reporting. The Board is chaired by an independent non-executive Director alongside a second non-executive Director acting as Board member and chair of the Risk and Audit Committee. The Board works with the Chief Executive Officer and the Executive Leadership Team (ELT) of NUKH to identify and set priorities, manage risk and maintain financial sustainability. The Board's decision is final; however the Board works with Marron Group Holdings Pty Limited (the ultimate parent company of NUKH) to determine the final budget and strategic plan. A clear protocol for approving the budget and strategic plan is place.

The Board has adopted the Higher Education Code of Governance (2020) and adheres to the public interest governance principles. There are aspects that do not apply to NUKH, and these have been explained, and where relevant alternative mechanisms of suitable governance have been put in place after an extensive review against the Code.

The Board has delegated some responsibilities to the ELT which has representation from Colleges through the Executive General Managers which ensures cohesiveness in the management and oversight of NUKH. The ELT is also of sufficient size as it currently comprises 11 members. NUKH wishes to ensure that the membership does not become too large as this will reduce the quality of debate and oversight. The membership is reviewed annually and, at present, deemed appropriate to the size of business operations.

Academic governance has been long established with the Academic Board at the apex. It is supported by a sub-committee - the Learning, Teaching and Quality Committee. A number of protocols have been established for the UK Board of Directors to engage with the Academic Board to enhance overall academic experience. The Learning and Teaching Report and Annual Effectiveness Review provide good context and achievement of the Academic Board to the UK Board of Directors who in turn have frequent formal and informal engagement between the two bodies, particularly the Chairs, and rotational attendance at the Academic Board by the Directors.

A single institutional strategic plan and unified codes of practices and policies ensure consistency and equivalency across the Colleges. A number of internal controls ensure that responsibilities are being discharged effectively. This includes clear designation of responsibilities, medium- and long-term planning, risk register protocols, and assurance exercises. External audit is carried out by Deloitte and enhanced internal auditing commenced in 2019. The Risk and Audit Committee (formerly Audit and Risk Committee) was established in 2018 and meets three times per year to assess risk and internal control matters, including financial control.

Statement of Internal Controls
for the Year Ended 30 June 2023

Scope of Responsibility
NUKH acknowledges that it has a responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the Regulatory Advice 9: Accounts Direction published by the Office for Students (OfS).

Purpose of the System of Internal Control
The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which aligns with guidance issued by the Office for Students has been in place in NUKH for the year ended 30 June 2023 (FY23) and up to the date of approval of the financial statements.

Capacity to Handle Risk
NUKH has a Risk and Audit Committee (RAC) comprising two independent members and standing invitations to all statutory Directors of NUKH and the Director of Operations. Each member brings with them a range of expertise including financial, audit and risk. The Internal Audit Function is managed by Navitas Group and the internal audit schedule is determined centrally. The organisation has developed a Risk Management Policy and Framework, which sets out its risk appetite and details the roles and responsibilities of staff in relation to this risk.

Risk and Control Framework
NUKH has implemented a risk management system, which identifies and reports key risks and the management of actions being taken to address and mitigate those risks.

There are risk registers in place with all Colleges holding their own register managed by the leadership team and a central register combining College risks and areas inherent to the business (by virtue of running a business providing a service) and uniquely due to the operating environment. The risks that have been identified are evaluated, graded according to their significance (as per the Risk Management Framework) and reported on at timely intervals throughout the year. The central risk register is reviewed at each RAC then discussed at the subsequent Board. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

Ongoing Monitoring and Review
Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action as well as being reported to the Board of Directors through the Risk and Audit Committee.

Review of Effectiveness
NUKH has procedures in place to monitor the effectiveness of its risk management and control procedures. This review is informed by the work of the internal and external auditors, the Risk and Audit Committee which oversees their work and the senior management within NUKH who are responsible for the development and maintenance of the internal control framework.

Statement of Regularity, Propriety and Compliance
for the Year Ended 30 June 2023

Navitas UK Holdings Limited can confirm that no instances of irregularity, impropriety, bribery, or funding non-compliance have been discovered to date. If any instances are identified subsequently, these will be notified to the Board, Group, and the Office for Students accordingly.

Independent auditor's report to the members of Navitas UK Holdings Limited
Report on the audit of the consolidated financial statements

Opinion

In our opinion the financial statements of Navitas UK Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the consolidated financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included e.g., UK Companies Act, tax legislation and Office for Student Regulatory Framework; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Bribery Act and GDPR.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area: the timing of revenue recognition (cut-off). This risk was identified on revenue earned on courses taught in the June to September semester which could potentially result in a material misstatement of revenue if proper cut-off procedures are not performed. Our procedures performed to address this risk are described below:

- obtained the student report detailing the student and course information, amount invoiced to the student and revenue recognised for the period;
- assessed the completeness and accuracy of the student report, using a heightened sample size to confirm the relevancy and reliability of the student report;
- checked the university brochure, offer letters and websites to determine the specific period for the June to September semester courses and determine the numbers of days that the courses were taught in the financial year; and
- recalculated the expected revenue based on the number the numbers of days that the courses were taught in the financial year and compared with revenue recognised in the general ledger.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Opinions on other matters required by the Office for Students (OfS), "Regulatory Advice 9: Accounts Direction"

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

- The requirements of the OfS’s accounts direction have been met.

We have nothing to report in respect of these matters.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Under the Office for Students (OfS), "Regulatory Advice 9: Accounts Direction" we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in the note 4 to the accounts, has been materially misstated;

We have nothing to report in respect of these matters.

Use of our report

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

Gavin Waters

Gavin Waters (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom

Date: ....30 November 2023...................................

Consolidated Income Statement
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
TURNOVER	4	71,328,051	54,427,118
Cost of sales		(38,150,191)	(23,720,673)
GROSS PROFIT		33,177,860	30,706,445
Administrative expenses		(19,678,921)	(21,959,028)
		13,498,939	8,747,417
Other operating income		475,836	1,162,800
OPERATING PROFIT	6	13,974,775	9,910,217
Share of results of associated undertakings	7	101,442	48,027
		14,076,217	9,958,244
Interest receivable and similar income	10	2,035,063	525,567
		16,111,280	10,483,811
Interest payable and similar expenses	8	-	(5,470)
PROFIT BEFORE TAXATION		16,111,280	10,478,341
Tax on profit	9	(2,932,197)	(2,214,218)
PROFIT FOR THE FINANCIAL YEAR		13,179,083	8,264,123
Profit attributable to:			
Owners of the parent		13,179,083	8,264,123

All amounts are derived from continuing operations.

Consolidated Statement of Other Comprehensive Income
for the Year Ended 30 June 2023

	Notes	30.6.23	30.6.22
		£	£
PROFIT FOR THE YEAR		13,179,083	8,264,123
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,179,083	8,264,123
Total comprehensive income attributable to:			
Owners of the parent		13,179,083	8,264,123

The notes form part of these financial statements

Consolidated Balance Sheet
As at 30 June 2023

	Notes	30.6.23 £	30.6.22 £
FIXED ASSETS			
Tangible assets	11	589,806	412,201
Investments	12	419,011	317,569
		1,008,817	729,770
CURRENT ASSETS			
Debtors	13	45,821,593	35,299,851
Cash at bank		14,478,671	5,940,057
		60,300,264	41,239,908
CREDITORS			
Amounts falling due within one year	14	(69,964,987)	(63,736,659)
NET CURRENT LIABILITIES		(9,664,723)	(22,496,751)
TOTAL ASSETS LESS CURRENT LIABILITIES		(8,655,906)	(21,766,981)
Provision for liabilities	16	(224,192)	(292,200)
NET LIABILITIES		(8,880,098)	(22,059,181)
CAPITAL AND RESERVES			
Called up share capital	17	2	2
Other Reserves	17	(33,423,922)	(33,423,922)
Profit and loss account	17	24,543,822	11,364,739
SHAREHOLDERS' DEFICIT		(8,880,098)	(22,059,181)

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2023 and were signed on its behalf by:

H. E. Higson

....
P D Lovegrove - Director

....
H E Higson - Director

The notes form part of these financial statements

Company Balance Sheet
As at 30 June 2023

	Notes	30.6.23 £	30.6.22 £
FIXED ASSETS			
Tangible assets	11	428,886	324,721
Investments	12	33,444,951	33,444,949
		33,873,837	33,769,670
CURRENT ASSETS			
Debtors	13	46,035,404	24,648,513
Cash at bank		14,478,671	5,015,548
		60,514,075	29,664,061
CREDITORS			
Amounts falling due within one year	14	(146,256,405)	(96,432,224)
NET CURRENT LIABILITIES		(85,742,330)	(66,768,163)
TOTAL ASSETS LESS CURRENT LIABILITIES		(51,868,493)	(32,998,493)
Provision for liabilities	16	(190,451)	(127,635)
NET LIABILITIES		(52,058,944)	(33,126,128)
CAPITAL AND RESERVES			
Called up share capital	17	2	2
Profit and loss account	17	(52,058,946)	(33,126,130)
SHAREHOLDERS' DEFICIT		(52,058,944)	(33,126,128)
Company's (loss)/ profit for the financial year		(18,932,816)	25,252,930

No dividend was received (2022: £39,222,170) from other group undertakings.
The Company recorded a loss of £18.9m (2022: £25m profit) due to dividends received in 2022.
The net current assets, excluding amounts owed to/by Group and Group undertakings of the Company increased £18.9m (2022: £5.2m) due to increase in debtors and cash.

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company as an individual is not presented as part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2023 and were signed on its behalf by:

H. E. Higson

....
P D Lovegrove - Director

....
H E Higson - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2023

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 July 2021	2	(33,423,922)	3,100,616	(30,323,304)
Change in equity				
Total comprehensive income	-	-	8,264,123	8,264,123
Balance at 30 June 2022	2	(33,423,922)	11,364,739	(22,059,181)
Change in equity				
Total comprehensive income	-	-	13,179,083	13,179,083
Balance at 30 June 2023	2	(33,423,922)	24,543,822	(8,880,098)

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 30 June 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 July 2021	2	(58,379,060)	(58,379,058)
Change in equity			
Total comprehensive income	-	25,252,930	25,252,930
Balance at 30 June 2022	2	(33,126,130)	(33,126,128)
Change in equity			
Total comprehensive loss	-	(18,932,816)	(18,932,816)
Balance at 30 June 2023	2	(52,058,946)	(52,058,944)

Consolidated Cash Flow Statement
for the Year Ended 30 June 2023

	Notes	30.6.23 £	30.6.22 £
Cash generated from operating activities			
Cash generated from operations	1	13,458,554	1,966,200
Interest paid		-	(5,470)
Tax paid		(4,507,000)	-
Net cash generated from operating activities		8,951,554	1,960,730
Cash flows from investing activities			
Purchase of tangible fixed assets		(412,940)	(136,130)
Net cash used in investing activities		(412,940)	(136,130)
Increase in cash and cash equivalents		8,538,614	1,824,600
Cash and cash equivalents at beginning of year	2	5,940,057	4,115,457
Cash and cash equivalents at end of year	2	14,478,671	5,940,057

The notes form part of these financial statements

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.23	30.6.22
	£	£
Profit before taxation	16,111,280	10,478,341
Loss on retirement of fixed assets	10,657	-
Depreciation charges	224,678	190,110
Finance costs	-	5,470
Finance income	(2,035,063)	(525,567)
Share of profit in joint venture	(101,442)	(48,027)
	14,210,110	10,100,327
Increase in trade and other debtors	(6,911,875)	(3,204,862)
Increase/ (decrease) in trade and other creditors	6,160,319	(4,929,265)
Cash generated from operations	13,458,554	1,966,200

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	30.6.23	30.6.22
Year ended 30 June 2023	£	£
Cash and cash equivalents	14,478,671	5,940,057

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.7.22	Cash flow	At 30.6.23
	£	£	£
Net cash			
Cash at bank	5,940,057	8,538,614	14,478,671
	5,940,057	8,538,614	14,478,671
Total	5,940,057	8,538,614	14,478,671

1. STATUTORY INFORMATION

Navitas UK Holdings Limited (the Company) is a private company limited by shares (Registered number: 06009965) incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on page 2.

The functional currency of Navitas UK Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

2. ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Navitas UK Holdings Limited meets the definition of a qualifying entity under FRS 102 and the Company is included in the consolidated financial statements of Marron Group Holdings Pty Ltd. The consolidated financial statements of Marron Group Holdings Pty Ltd can be obtained from L26 101 Collins St, 3000 Melbourne, Australia. The Company has taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, remuneration of key management personnel and related party disclosures.

For the year ended 30 June 2023, the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

Subsidiary Name	Companies House Registration Number
HIBT Limited	05163612
London Brunel International College Limited	05171106
Cambridge Ruskin International College Limited	06407773
International College Wales Limited	06412162
SC170551 Limited	SC170551
Employment Overseas Ltd.	SC241734
International College Portsmouth Ltd.	06770123
Plymouth Devon International College Ltd	06822402
Edinburgh International College Ltd	06822392
Birmingham City International College Ltd	07445570
Northampton IC Limited	09332824
Leicester Global Study Centre Limited	11669456
UA92 Global Limited	12985058
Keele University International College Limited	13631343
Navitas UK College Limited	14729068
SC255447 Limited	SC255447

The directors have not required the subsidiaries to obtain an audit of their accounts for the year ended 30 June 2023 in accordance with section 476 of the Companies Act 2006. The directors of the subsidiaries acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts. Navitas UK Holdings Limited guarantees its above-mentioned subsidiaries under section 479C of the Companies Act 2006 in respect of the financial year ended 30 June 2023.

Basis of consolidation

The consolidated financial statements incorporate the results of the company and its subsidiary undertakings for the year ended 30 June 2023. Intragroup sales, profits and balances are eliminated fully on consolidation. All subsidiaries have a year-end date of 30 June 2023, with the exception of SC255447 Limited with a year-end of 30 September 2023. The results of subsidiaries acquired or sold are consolidated during the year of ownership. Acquisitions are accounted for under the acquisition method, or using merger accounting as permitted by FRS 6 – Merger accounting for group records.

During the year ended 30 June 2023, Navitas UK Holdings Limited incorporated a wholly owned subsidiary, Navitas UK College Limited.

2. ACCOUNTING POLICIES – continued

Going concern
The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 2. The Group is expected to continue in existence for the next 12 months.

The directors, having assessed the responses of the Group's ultimate parent company, Marron Group Holdings Pty Ltd, to their enquiries have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Group to continue as a going concern for the next 12 months.

Based on their assessment and enquires made of the ultimate parent company, Marron Group Holdings Pty Ltd, the Group's directors have a reasonable expectation that the Group will be able to continue in operational existence in the foreseeable future being 12 months post signing of these accounts. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Tangible fixed assets
All fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all fixed assets at annual rates calculated to write off the cost, less estimated residual value, over the expected useful life of each asset, as follows:

Furniture and equipment	- 25% to 33.3% straight-line
Plant and machinery	- 25% to 33.3% straight-line
Improvements to property	- 20% straight-line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable tothe acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets held by the Company are classified as 'loans and trade receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Recognition and measurement
Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

continued...

2. ACCOUNTING POLICIES – continued

Amortised cost and effective interest method -continued

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income (FVTOCI). For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit- impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the ‘interest receivable and similar income’ line item.

Impairment of financial assets
The Group recognises a loss allowance for any expected credit loss (ECL) on investments in debt instruments that are measured at amortised cost, trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

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2. ACCOUNTING POLICIES – continued

Impairment of financial assets -continued

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;
2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event (see (ii) above);
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

continued...

2. ACCOUNTING POLICIES – continued

Impairment of financial assets -continued

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used. The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account and does not reduce the carrying amount of the financial asset in the balance sheet.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

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

Taxation
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

continued...

2. ACCOUNTING POLICIES – continued

Taxation -continued
A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Turnover
Turnover representing tuition fees earned and ancillary income from students is recognised in line with the satisfaction of performance obligations, which for the Group means the provision of classes to students over the term of the course and is exempt of VAT.
Turnover recognised from service charge received is subject to services provided by the college academic services and is determined by a percentage of gross revenue net of any scholarships or bursaries offered to students over the term of the course and is exempt of VAT.
When payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of Creditors: Amounts falling due within one year.

Employee benefit costs
The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the income statement in the period to which they relate.

Investments in subsidiaries
Investments in subsidiary undertakings are stated at cost less any provision for impairment.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Investments in associates
An associate is an entity over which the group has significant influence and that is neither a subsidiary not an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates is incorporated in these financial statements using the equity method of accounting. The investments in associates are accounted for at cost less impairment.

continued...

2. ACCOUNTING POLICIES – continued

Impairment of non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Interest

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

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Foreign currency differences arising on translation are recognised in profit or loss.

Accounting for joint operations, jointly controlled assets and jointly controlled operations

The Group accounts for its share of joint ventures using the equity method.

The Group accounts for its share of transactions from joint operations and jointly controlled assets in the Statement of Comprehensive Income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, directors continually evaluate judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Due to the inherent uncertainty actual results may differ from the judgements, estimated and assumptions.

Significant judgements, estimates and assumptions made by the directors in the preparation of these financial statements are outlined below:

Critical judgements in applying the Company's accounting policies

The directors do not consider there to be any critical judgements surrounding the application of the Company's accounting policies.

Key sources of estimation uncertainty

Bad debt provisions

Management assesses the carrying value of debtors based on past losses, current trading patterns and anticipated future events.

continued...

4. TURNOVER

An analysis of turnover by category is given below:

	30.6.23	30.6.22
	£	£
Tuition fees earned	62,047,458	48,543,725
Ancillary income from students	241,768	467,281
Service charge	9,038,825	5,416,112
	71,328,051	54,427,118

The Group did not receive grant income from the Office for Students (OfS) or other bodies for the year ending 30 June 2023 (2022: nil).

All turnover arose in the United Kingdom.

5. EMPLOYEES AND DIRECTORS

Consolidated Employees and Directors

	30.6.23	30.6.22
	£	£
Wages and salaries	16,536,532	12,810,995
Social security costs	1,657,765	1,240,855
Other pension costs	1,326,866	1,045,687
	19,521,163	15,097,537

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

	30.6.23	30.6.22
Administrative	295	225
Teaching staff	237	188
	532	413

The monthly average number of employees in the Joint venture undertaking and excluded from the number shown above was 54 (2022: 37).

continued...

5. EMPLOYEES AND DIRECTORS - continued

Additional remuneration disclosures:

Senior staff pay

Basic salary per annum	No. of staff 30.6.23	No. of staff 30.6.22
£100,000 - £104,999	3	2
£105,000 - £109,999	1	1
£110,000 - £114,999	-	1
£115,000 - £119,999	-	-
£120,000 - £124,999	-	-
£125,000 - £129,999	-	-
£130,000 - £134,999	-	-
£135,000 - £139,999	-	-
£140,000 - £144,999	-	-
£145,000 - £149,999	-	-
£150,000 - £154,999	1	-
£155,000 - £159,999	-	-
£160,000 - £164,999	-	-
£165,000 - £169,999	-	-
£170,000 - £174,999	-	-
£175,000 - £179,999	1	1
£180,000 - £184,999	-	-
£185,000 - £189,999	-	-
£190,000 - £194,999	-	-
£195,000 - £199,999	-	-
£200,000 - £204,999	-	-
£205,000 - £209,999	-	-
£210,000 - £214,999	-	-
£215,000 - £219,999	-	-
£220,000 - £224,999	-	-
£225,000 - £229,999	-	-
£230,000 - £234,999	-	-
£235,000 - £239,999	-	-
£240,000 - £244,999	-	-
£245,000 - £249,999	-	-
£250,000 - £254,999	-	-
£255,000 - £259,999	-	-
£260,000 - £264,999	-	-
£265,000 - £269,999	-	-
£270,000 - £274,999	-	-
£275,000 - £279,999	-	-
£280,000 - £284,999	-	-
£285,000 - £289,999	-	-
£290,000 - £294,999	-	-
£295,000 - £299,999	1	1

Total remuneration for the Head of Provider

	30.6.23 £	30.6.22 £
Basic salary	298,679	298,679
Performance related pay	150,000	109,672
Pension contributions	110	1,321
Salary sacrifice	723	8,679

Justification for the total remuneration package

The Head of Provider of Navitas UK Holdings undertakes a role wider than Head of Provider for the Navitas UK Holdings group. In addition he is managing the European division with further entities in Netherlands and Germany, and also acts as the Global COO for the Group, with responsibility for Strategy, Global Recruitment and Data. Taking into account these roles, he was remunerated below company and sector benchmarks for this role during the year.

continued...

5 . EMPLOYEES AND DIRECTORS – continued

The performance of the Head of Provider is based on appraisal by Parent Company Management, assessed by the Group Leadership Incentive Plan Scorecard, appropriate KPIs and stakeholder feedback. The Head of Provider's performance is then considered by the overall Group Board who are responsible for approving each element of his remuneration. The Head of Provider's performance is assessed as exceptional by Parent Company Management and the Group Board.

Ratios

	30.6.23	30.6.22
Basic salary ratio	8.5	8.8
Total remuneration ratio	12.8	12.0

For the year ended 30 June 2023, the Group made payments to 3 employees for redundancy and payment in lieu of notice. In the prior year, the Group made the payment as a compensation for loss of office. The total amount of these payments was £7,074 (2022: £23,488).

Navitas UK Holdings Limited is part of wider Group. Its ultimate parent company is Marron Group Holdings Pty Ltd. Marron Group Holdings Pty Ltd and its subsidiaries (referred to as 'Group') is a globally diversified business focused on the provision of educational services to domestic and overseas students. Navitas UK Holdings Limited has benefitted from shared resources withinthe Group which are billed via a management charge.

Shared resources have not been included as part of this disclosure we are not able to quantify the full time equivalent of the resource to Navitas UK Holdings Limited as they are not direct employees of Navitas UK Holdings Limited.

	30.6.23	30.6.22
	£	£
Directors' remuneration	672,282	615,750
Directors' pension contributions to money purchase schemes	10,808	11,035
Highest paid director:		
Remuneration	448,679	408,351
Pension	110	1,321

The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	4	2
4 directors were paid during the year (2022:4)		

The directors are the only key management personnel of the Group.

Company Employees and Directors

	30.6.23	30.6.22
	£	£
Wages and salaries	5,661,581	4,226,109
Social security costs	599,298	464,750
Other pension costs	548,262	413,950
	6,809,141	5,104,809

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

	30.6.23	30.6.22
Administrative	115	101

continued...

6. OPERATING PROFIT

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

	30.6.23	30.6.22
	£	£
Credit losses on trade debtors	(549,293)	(56,487)
Royalties charged by NVT SAE Holdings	2,217,341	1,915,565
Depreciation - owned assets	224,678	190,110
Operating leases	6,327	144,582
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	118,000	114,000
The audit of the Company's subsidiaries	13,000	12,000
Foreign exchange differences	(69,092)	(48,294)

7. SHARE OF RESULTS OF ASSOCIATED UNDERTAKINGS

	30.6.23	30.6.22
	£	£
Income from associated undertakings	101,442	48,027

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.23	30.6.22
	£	£
Other interest payable	-	5,470

9. TAX ON PROFIT

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.6.23	30.6.22
	£	£
Current tax:		
UK corporation tax	3,063,527	1,262,365
Adjustment in respect of prior periods	(194,593)	-
Total current tax	2,868,934	1,262,365
Deferred tax:		
Current year	-	750,328
Adjustment in respect of prior periods	5,014	197,458
Origination and reversal of temporary differences	47,753	-
Effect of changes in tax rates	10,496	4,067
Total deferred tax	63,263	951,853
Total per income statement	2,932,197	2,214,218

continued...

9. TAX ON PROFIT - continued

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.23	30.6.22
	£	£
Profit before income tax	16,111,280	10,478,341
Profit multiplied by the standard rate of corporation tax in the UK of 20.496% (2022 - 19%)	3,302,168	1,990,885
Effects of:		
Expenses not deductible	21,295	31,544
Tax rate changes	10,496	4,069
Amounts not recognised	(2,219)	270
Adjustments in respect of prior periods	(189,579)	197,458
Group relief/ Other reliefs	-	1
Fixed assets	(19,883)	-
Income not taxable	(190,081)	(10,009)
Tax income	2,932,197	2,214,218

The UK's main corporation tax rate increased from 19% to 25% on 1 April 2023 giving a standard UK tax rate of 20.5% for the period. Deferred tax assets were previously (and continue to be) recognised at 25%.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	30.6.23	30.6.22
	£	£
Interest received from group undertakings	1,950,041	505,427
Other interest income	85,022	20,140
	2,035,063	525,567

continued...

11. TANGIBLE FIXED ASSETS

Group

	Improvements to property	Plant and machinery	Fixture and fittings	Totals
	£	£	£	£
COST				
At 1 July 2022	127,740	2,089,148	640,679	2,857,567
Additions	26,395	323,818	62,727	412,940
Retirement	-	(21,067)	(414)	(21,481)
At 30 June 2023	154,135	2,391,899	702,992	3,249,026
DEPRECIATION				
At 1 July 2022	127,740	1,718,968	598,658	2,445,366
Charge for the year	5,499	190,175	29,004	224,678
Retirement	-	(10,479)	(345)	(10,824)
At 30 June 2023	133,239	1,898,664	627,317	2,659,220
NET BOOK VALUE				
At 30 June 2023	20,896	493,235	75,675	589,806
At 30 June 2022	-	370,180	42,021	412,201

Company

	Improvements to property	Plant and machinery	Totals
	£	£	£
COST			
At 1 July 2022	127,740	1,073,636	1,201,376
Additions	26,395	250,762	277,157
Retirement	-	(21,067)	(21,067)
At 30 June 2023	154,135	1,303,331	1,457,466
DEPRECIATION			
At 1 July 2022	127,740	748,915	876,655
Charge for the year	5,499	156,905	162,404
Retirement	-	(10,479)	(10,479)
At 30 June 2023	133,239	895,341	1,028,580
NET BOOK VALUE			
At 30 June 2023	20,896	407,990	428,886
At 30 June 2022	-	324,721	324,721

The Company leases building and the average lease term is 5 years.

continued…

12. INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 July 2022	317,569
Share of profit	101,442
At 30 June 2023	419,011
NET BOOK VALUE	
At 30 June 2023	419,011
At 30 June 2022	317,569

The share of profit relates to investment in Swan Global Education LLP.

Company

	Shares in group undertakings £
COST	
At 1 July 2022	35,792,924
Additions	2
At 30 June 2023	35,792,926
PROVISIONS	
At 1 July 2022	2,347,975
Charge for the year	-
At 30 June 2023	2,347,975
NET BOOK VALUE	
At 30 June 2023	33,444,951
At 30 June 2022	33,444,949

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

Name of undertaking	Registered office	Country of registration	Description of shares	Proportion held by the company	Principal activity
Subsidiaries – Direct shareholding					
The International College at Robert Gordon University Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service

The directors have elected to take advantage of the exemption from audit under s479A of the Companies Act in respect of the following entities:

Subsidiaries – Direct shareholding					
HIBT Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
London Brunel International College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service

continued...

12. INVESTMENTS - continued

Name of undertaking	Registered office	Country of registration	Description of shares	Proportion held by the company	Principal activity
Plymouth Devon International College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Edinburgh International College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Birmingham City International College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Cambridge Ruskin International College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
International College Wales Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
International College Portsmouth Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Northampton IC Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Leicester Global Study Centre Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
UA92 Global Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Keele University International College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service

continued...

12. INVESTMENTS - continued

Name of undertaking	Registered office	Country of registration	Description of shares	Proportion held by the company	Principal activity
SC170551 Limited	Garthdee Road, Aberdeen, AB10 7QE	Scotland	Ordinary	100%	Non trading holding company
Navitas UK College Limited	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	100%	Provision of education and training service
Subsidiaries – Indirect shareholding					
Employment OverseasLimited	Garthdee Road, Aberdeen, AB10 7QE	Scotland	Ordinary	100%	Non trading agent for overseas students
SC255447 Limited	Garthdee Road, Aberdeen, AB10 7QE	Scotland	Ordinary	100%	Non trading company
Associate					
Anuvac Confab Worldwide Private Limited	Thapar House 124 Janpath, New Delhi DL 110001 IN	India	Ordinary	33%	Provision of advisory service on overseas educational institutions

International College Wales Limited investments at the Balance Sheet date in the share capital of companies include the following:

Joint venture					
Swan Global Education LLP	The Lambourn, Wyndyke Furlong, Abingdon, OX14 1UJ	England & Wales	Ordinary	50%	Provision of education and training service

During the year, the Group acquired 100% of the issued share capital of Navitas UK College Limited, a company whose primary activity is provision of educational and training services.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Trade debtors	7,553,941	18,925,738	399,217	362,091
Expected credit losses	(1,925,443)	(4,151,180)	(24,657)	(24,657)
	5,628,498	14,774,558	374,560	337,434
Amounts owed by group undertakings	36,953,566	19,625,812	39,164,919	22,306,421
Prepayments and other debtors	388,908	471,305	310,560	334,659
Deferred tax (Note 15)	4,037	20,540	-	-
Corporation tax asset	2,045,703	407,636	6,185,365	1,669,999
Accrued income	800,881	-	-	-
	45,821,593	35,299,851	46,035,404	24,648,513

The amounts owed by group undertakings are not secured and have a variable rate of interest. These amounts are payable on demand.

continued...

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Trade creditors	3,063,821	803,497	505,109	275,485
Amounts owed to associates	263,250	259,041	-	-
Amounts owed to other group undertakings	2,534,115	7,855	110,352,091	60,787,761
Amounts owed to parent company	33,443,922	33,473,645	33,443,922	33,443,922
Social security and other taxes	375,234	304,367	174,913	146,459
VAT	1,259,493	756,107	1,259,493	701,801
Deferred income	21,096,155	19,105,686	-	-
Othere creditors and accruals	7,928,997	9,026,461	520,877	1,076,796
	69,964,987	63,736,659	146,256,405	96,432,224

The amounts owed to parent company and other group undertakings are not secured and have a variable rate of interest. These amounts are payable on demand

15. DEFERRED TAX

	30.6.23	30.6.22
	£	£
Balance at the start of the year	61,359	(890,495)
Adjustment in respect of prior years	5,014	197,459
Deferred tax charged to the income statement for the year	58,249	754,395
Closing balance	124,622	61,359

A net deferred tax liability of £124,622 (2022: £61,359) has been recognised in respect of capital allowances, which includes a deferred tax balance of £4,037. The deferred tax asset balance is expected to be utilised within one year and there is no expiry date for the deferred tax liabilities.

16. PROVISION FOR LIABILITIES

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Long service provision	69,139	55,547	62,703	51,469
Onerous lease provision	-	10,321	-	-
Dilapidation provision	26,394	144,433	26,394	-
Deferred tax (Note 15)	128,659	81,899	101,355	76,166
	224,192	292,200	190,452	127,635

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Long service provision				
Opening balance	55,547	62,958	51,469	22,903
Current year expense	(13,594)	14,418	(11,233)	(28,568)
Additions	27,186	(21,829)	22,467	57,134
Closing balance	69,139	55,547	62,703	51,469

The long service provisions are considered for certain employees that would have completed at least 5 years with the Company and is based on the employee basic salaries at the end of each financial period. No discounting is considered as it is deemed to yield immaterial changes to the provisions. Where possible expected increases in the basic salaries are considered in the provision.

continued...

16. PROVISION FOR LIABILITIES - continued

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Onerous lease				
Opening balance	10,321	344,475	-	-
Current year expense	(10,321)	(344,475)	-	-
Additions	-	10,321	-	-
Closing balance	-	10,321	-	-

Onerous contract provisions relate to a guarantee given over utilisation of certain student accommodation. In 2019, the Group entered into contracts with certain developers, where it guaranteed to pay a certain amount if the student utilisation threshold is not met. Due to the impact of the Covid-19 pandemic and the resulting government guidance in respect of local and national lockdowns, the Group has determined it will be unable to meet the guaranteed utilisation threshold. Given the uncertainty over timing of release of lockdowns, there is an element of uncertainty in the calculation of the provision.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The provision is measured at the lower of the expected cost of fulfilling the contract and the expected cost of terminating the contract to the extent that this exceeds the expected economic benefits of the contract. In the prior year, the balance of £344,475 was released by the Group.

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Dilapidation provision				
Opening balance	144,433	141,324	-	-
Current year expense	(144,433)	3,109	-	-
Additions	26,394	-	26,394	-
Closing balance	26,394	144,433	26,394	-

Under the terms of its lease agreements the Group must restore certain leased premises to their condition as at the commencement of the lease.

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Deferred tax	128,659	81,889	101,355	76,166

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.23 £	30.6.22 £
2	Ordinary shares	£1	2	2

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

Other reserves
The other reserves represent the difference between carrying value of the assets and liabilities acquired under merger accounting to the cost of the investment.

continued...

18. RELATED PARTY DISCLOSURES

The following amounts were outstanding at the reporting date:

		Amounts owed by related parties	
		30.6.23	30.6.22
		£	£
Loan relationship			
Other group undertakings:			
Navitas UK Holdings Limited	Navitas Pty Limited	36,806,326	18,499,077
	Swan Global Education LLP	90,701	1,120,693
Leicester Global Study Center Limited	Navitas Pty Limited	-	52
Trade relationship			
Navitas UK Holdings Limited	Navitas Pty Limited	6,423	-
	Beijing Navitas Education	5,594	5,594
	Edith Cowan College	396	396
	Navitas Netherlands BV	30,313	-
	Navitas Germany Holdings GmbH	13,813	-
		36,953,566	19,625,812

continued...

18. RELATED PARTY DISCLOSURES - continued

The following amounts were outstanding at the reporting date:

		Amounts owed to related parties	
		30.6.23	30.6.22
		£	£
Loan relationship			
Other group undertakings:			
International College Portsmouth Ltd	Swan Global Education LLP	-	(7,855)
		-	(7,855)
Parent company:			
Loan relationship			
Navitas UK Holdings Limtied	Marron Group UK Holdings Limited	(33,443,922)	(33,443,922)
	Navitas SAE Holdings Limited	(2,516,450)	-
Trade relationship			
Navitas UK Holdings Limited	Navitas Nigeria Limited	-	(2,203)
	SAE Germany Holdings GmbH	-	(3,178)
	SAE Education Limited	-	
	Navitas Pty Limited	(16,823)	(17,795)
	Fraser International College	(842)	(2,189)
	Navitas Netherlands BV	-	(4,448)
		(35,978,037)	(33,473,735)

continued...

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The carrying values of the Group and Company’s financial assets and liabilities are summarised by category below:

	Group		Company	
	30.6.23	30.6.22	30.6.23	30.6.22
	£	£	£	£
Financial assets				
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	5,628,498	14,774,558	374,560	337,434
Amounts owed by group undertakings	36,953,566	19,625,812	39,164,919	22,306,421
Accrued income	800,881	-	-	-
	43,382,945	34,400,370	39,539,479	22,643,855
Financial liabilities				
Trade creditors	3,063,821	803,497	505,109	274,485
Amounts owed to associates	263,250	259,041	-	-
Amounts owed to other group undertakings	2,534,115	7,855	110,352,091	60,787,761
Amounts owed to parent company	33,443,922	33,473,645	33,443,922	33,443,922
Deferred income	21,096,155	19,105,686	-	-
Other creditors and accruals	7,928,997	9,026,461	520,877	1,076,796
	68,330,260	62,676,185	144,821,999	95,582,964

Liquidity risk

The Group’s objective is to maintain a balance between the continuity of funding and flexibility principally through the use of operating cash flows and borrowings from Marron Group Holdings Pty Ltd and related entities.

	<1 year	1-5 years	>5 years	Total
	£	£	£	£
Finacial liabilities				
Trade and other payables	69,964,987	155,053	69,139	70,189,179

The tables above reflect all contractually fixed settlement, repayments, receivables and interest resulting from recognised financial liabilities and assets as of 30 June 2023. For the obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial liabilities are based on the earliest possible date on which the Company can be required to pay. Cash flows for financial assets are based on the terms and conditions existing at the balance sheet date.

The Group’s income, expenses, gains and losses in respect of financial instruments are summarised below:

	30.6.23	30.6.22
	£	£
Interest income and expense		
Total interest income for financial assets at amortised cost	2,035,063	525,567
Total interest expense for financial liabilities at amortised cost	-	(5,470)
	2,035,063	520,097

20. LEASING ARRANGEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.23	30.6.22
	£	£
Within one year	87,225	15,000
Between one and five years	290,023	-
	377,248	15,000

continued...

21. EVENTS AFTER THE REPORTING PERIOD

In July 2023, The University of Northampton decided not to renew the agreement with Northampton IC Limited (UNIC). The college will close in September 2024.

In August 2023, The University of Leicester decided not to renew the agreement with Leicester Global Study Centre Limited (LGSC). The college will close in September 2024.

There is uncertainty around the FY24 occupancy associated with the Rod Jones Hall at Swan Global Education LLP - Joint Venture (JV). The Group is actively engaged in evaluating scenarios to maximize the opportunities the Rod Jones Hall presents. The impact on the consolidated financial statements of Navitas UK Holdings Limited is not deemed significant.

There are no other matters or circumstances which have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party at 30 June 2023 is Marron Group Holdings Pty Ltd, a company incorporated in Australia, with a registered address of L26 101 Collins St, 3000 Melbourne, Australia. This is the smallest and largest groups to consolidate the results of the Company. The consolidated financial statements of this group can be obtained at L26 101 Collins St, 3000 Melbourne, Australia.

The immediate parent entity at 30 June 2023 is Marron Group UK Holdings Limited.