



CATS  
GLOBAL SCHOOLS

Annual report and  
financial statements  
Cambridge Arts & Sciences  
Limited

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For the year ended 31 August 2022

## Officers and professional advisers

<b>Company registration number</b>	03454690
<b>Registered office</b>	Suites 6-7 The Turvill Building Old Swiss 149 Cherry Hinton Road Cambridge England CB1 7BX
<b>Directors</b>	C A J Stacey R Niu
<b>Independent auditor</b>	Deloitte LLP 1 Station Square Cambridge CB1 2GA United Kingdom

## Contents

Strategic report.....	3
Directors' report.....	6
Directors' responsibility statement.....	8
Corporate governance and internal control statement .....	9
Independent auditor's report.....	11
Income statement .....	16
Statement of financial position .....	17
Statement of cash flows .....	18
Statement of changes in equity.....	19
Notes to the financial statements .....	20

## Strategic report

The directors present their strategic report on the company for the year ended 31 August 2022.

### Principal activities

The principal activity of the company is the provision of pre-university study programmes to enable domestic and international students to meet the entry requirements for a UK university degree course. From 1 September 2021, the provision of study programmes is on behalf of CGS Administrative Services Limited (CGS).

CATS Colleges, established in 1952, is a UK-based global group that specialises in the provision of high quality academic and English language programmes to international students across the UK, USA, Canada and China.

The international education sector remains an attractive and growing market with demographic trends driving an increased demand for Western education from the emerging markets. A growing middle class in the emerging markets with rising disposable incomes and lack of university places are the drivers for future market growth.

The underlying principles across the group are:

- world-class provision of classroom based teaching in the English language;
- helping our students to achieve entry to the best universities according to their aspirations and abilities;
- continuous investment into state-of-the-art facilities which is evident at sites in London, Canterbury, Cambridge, Boston and Shanghai; and
- exceptional pastoral care ensures that our students' educational experience is also safe, healthy and enjoyable.

### Business review

The company saw an increase in student numbers and revenue for the year increased by 1%, attributable to recovery from the impact of the Covid-19 pandemic (2021: decreased by 39% attributable to Covid-19 pandemic).

The company earns revenue from providing educational services on behalf of a group company, CGS, who contracts with the learners. This initiated from the start of the 2022 financial year as CGS became established as the Centre of Excellence and single contracting entity for the Group. In prior years, the company contracted directly with the students.

Cost saving initiatives continue to offset the adverse impact of Covid-19 pandemic on revenues across the group, such as a reduction in headcount and supplier reviews. In addition, management continues to regular monitor the performance against budgetary expectations, investigating any variances.

The company had net assets of £16,729,000 as at 31 August 2022 (2021: £15,649,000).

In the opinion of the directors the state of the company's affairs at 31 August 2022 was satisfactory and they hope to continue to see operating profitability in future periods.

### Future developments

As a group, we will continue to increase the number of student centres in key and iconic locations and continue in 2022/23 to look for ways to develop our offering, especially in the area of modern facilities to improve the quality of the student experience. The Group continues to focus on rebuilding student numbers and continued investment in school facilities and state of the art education equipment, despite the pressures from the cost of living crisis. Therefore, we expect future growth in performance.

## Strategic report (continued)

### Financial key performance indicators

The Board and management use the following Key Performance Indicators (KPIs) to monitor the success of the business:

- revenue growth;
- operating profit before exceptional costs, depreciation and amortisation as a percentage of revenue;
- revenue per employee; and
- recurring operating profit per employee.

During the year:

- revenue increased and was £96,000 above 2021;
- operating margins before depreciation significantly improved from 4.1% to 9.7%;
- revenue per employee increased from £79,428 to £85,888; and
- operating profit before depreciation per employee increased from £3,244 to £8,374.

### Principal risks and uncertainties

In common with other businesses of a similar nature, the company is exposed to a variety of risks and uncertainties. The directors believe the principal risks are:

- impact of changes in immigration policies and visa application processes;
- global reduction in international movement of students;
- adverse movements exchange rates; and
- significant disruption in the trading ability of the company due to the cost of living and energy crisis.

The policies and procedures that in place to monitor and manage these risks include:

- operating the business in a number of different but related market segments; and
- employing staff, consultants and professional advisors with appropriate competences to mitigate both current and foreseeable business risks; and
- ensuring a robust business continuity plan is in place to ensure mitigation of risks associated with the economic uncertainty.

### Financial risk management objectives and policies

The company's financial risk management policies and objectives are integrated into those of the wider group. The group uses various financial instruments including intra-group loans, trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is working capital for the group's operations, and finance for capital investment.

The main risks arising from the group's financial instruments are liquidity risk, foreign exchange risk, price risk and credit risk. The directors review and agree policies for managing each of these risks and, as they relate to the company, they are summarised below.

#### Liquidity risk

The group seeks to manage financial risk by preparing detailed cash flow forecasts and ensuring sufficient liquidity is available to meet foreseeable needs. Short-term flexibility is achieved by a group backed bank lending facility.

#### Foreign exchange risk

The company operates in the United Kingdom and prices its services in pounds sterling, mitigating the company's exposure to foreign currency risk with international students. These students may experience currency exposures, which could affect competitive advantage, but the company has both domestic and international students and encourages international students to use pound sterling.

## Strategic report (continued)

### **Price risk**

The group seeks to manage price risk by setting price lists for all products and agreeing policies and approval procedures for discounts and other price incentives such as bursaries.

### **Credit risk**

The company's principal financial assets are cash and trade debtors.

In order to manage credit risk the directors prioritise the credit control function and clear guidelines are in place for dealing with slow payers.

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



**C A J Stacey**  
Director

Date: 21 April 2023

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 August 2022.

### Results and dividends

The profit for the financial year amounted to £1,080,000 (2021: £447,000). No dividends were paid during the year (2021: £nil). The directors do not recommend the payment of a final dividend for the year (2021: none).

### Directors

The directors who served the company during the year and up to the date of signing of the financial statements were as follows:

C A J Stacey	
J He	(Terminated 4 April 2023)
D M Li	(Terminated 4 April 2023)
R Niu	(Appointed 4 April 2023)

### Business review

Details of the business review can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

The directors are satisfied with the results of the company for the period and foresee a similar level of activity in the coming year.

The company had net assets of £16,729,000 as at 31 August 2022 (2021: £15,649,000).

### Future developments

Details of future developments can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

### Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including liquidity risk, foreign exchange risk, price risk, credit risk and cashflow risk; management's approach to addressing these risks can be found in the Strategic Report on pages 4 to 5 and form part of this report by cross-reference.

### Qualifying third party indemnity provisions

The company has indemnified the directors of the company in respect of proceedings brought by third parties. Such qualifying third-party indemnity provision remains in place at the date of this report.

### Post balance sheet events

There are no significant post balance sheet events.

## Directors' report (continued)

### Going concern

The directors have considered the company's financial position taking into account reasonably possible changes in trading performance, including the possible impacts of the cost of living and energy crisis on the company. The company has net assets of £16,729,000 (2021: £15,649,000) and net current liabilities of £35,364,000 (2021 restated: 37,579,000), including cash of £994,374 (2021: £374,514) at the balance sheet date. A significant portion of the current liabilities (£44,102,000) relate to amounts due to related entities. The parent company of these related entities has issued a letter of guarantee that these balances will not be demanded for a period of at least 12 months from the approval of the financial statements.

After considering all of the above factors, the directors have a reasonable expectation that the company has sufficient access to adequate resources to continue in operational existence for the foreseeable future, and for at least the period of twelve months following the date of approval of the financial statements. The directors therefore consider it appropriate to adopt the going concern principle in preparing the financial statements.

### Political and charity donations

The company made no political or charitable donations during the year.

### Disclosure of information to auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



**C A J Stacey**  
Director

Date: 21 April 2023



## Directors' responsibility statement

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

## Corporate governance and internal control statement

Cambridge Arts & Sciences Limited (CASL) is a subsidiary of CEG Colleges Limited, which is the named proprietor of the college. CEG Colleges Limited is registered at Suites 6-7, The Turvill Building, Old Swiss, 149 Cherry Hinton Road, Cambridge, CB1 7BX.

The company is governed by the CASL Governing Body, the CATS Global Schools Executive Team (CGS Executive Team), and the CSVPA Academic Board. Governance at the College is defined by:

- the Quality Assurance Agency (QAA) UK Quality Code
- our university partner Academic Regulations
- The Committee of University Chairs (CUC) Higher Education Code of Governance, "A Joint Understanding of Good Governance" (ISI) and the "Governance Handbook" (DfE)

The CGS Executive Team meet quarterly to review the broad strategy of the company, including the working capital, risk management policies and performance of the group.

The CGS Executive Team delegates certain powers and responsibilities to the CASL Governing Body. The CASL Governing Body has the legal responsibility for CSVPA and CATS Cambridge, including compliance with UK company law and all other relevant laws, regulations and codes of practice. The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit. The Executive Team are required to take due account of reports from the Governing Body and respond to any recommendations.

The CASL Governing Body has established a committee responsible for the continued academic quality of CSVPA under the name of CSVPA Academic Board. The role of CSVPA Academic Board is to ensure CSVPA continues to develop and operate as a critical, cohesive academic community with a commitment to the assurance of standards supported by effective quality systems which can demonstrate firm guardianship and academic governance of its standards in operation to promote and enhance: effective student learning; teaching; and, scholarship. The Academic Board meets four times a year.

The composition and terms of reference of the governing bodies are published on the website for CSVPA as part of the company's governance and academic quality structure.

The CGS Executive Team has in place adequate and effective arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including the compliance with the Office for Students ongoing conditions of registration, any terms and conditions of funding and any other relevant regulatory responsibilities.

The company is registered with the Office for Students (OfS). OfS are the independent regulator of higher education in England, with a stated aim to ensure that every student, whatever their background, has a fulfilling experience of higher education that enriches their lives and careers. They offer support and guidance with regular updates on government changes and potential financial funding.

The CGS Executive Team acknowledges that it has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives that safeguards the group, the company operations and student interests. The system is designed to identify and manage risk, for these risks to be mitigated or escalated in the event of any failure. The CGS Executive Team has reviewed the effectiveness of the internal control arrangement and continues to look for improvements and efficiencies, where possible, to maintain the effective arrangements.

## Corporate governance and internal control statement (Continued)

Risk registers are maintained and reviewed quarterly by the CGS Executive Team. Risk is assessed in the register by assigning a score based on likelihood of a risk multiplied by the impact if that risk occurred. Residual risk is assessed once mitigating actions have been agreed.

Risk assessment and internal controls are embedded into the company's ongoing operations. These are based on a framework of regular management information and defined administrative procedures including segregation of duties and a system of delegation and accountability. The following processes are in place to regularly review the company's system of internal control:

- Comprehensive budgeting system with the annual budget and forecasting
- Monthly reporting to the executive team with variances to the annual budget explained
- Third party review of internal controls
- Annual external statutory audit inclusive of controls, as part of the financial audit.

The conclusion of these reports and risk assessment are presented to the CGS Executive Team and cascaded down to the relevant operations and governing bodies. The independent external auditor of the company considers the internal controls when conducting their work, such that they might cause a material misstatement to the financial statements. This enables the CGS Executive Team to ensure that business, operational, compliance and financial risk are all assessed and ensure a sound system of internal control is effective and being maintained.

There were no significant internal control weaknesses or failures identified during the year and through to the date of approval of the audited financial statements.

This statement of corporate governance and internal control relates to the period September 2021 to August 2022 and is current until the date of approval of the audited financial statements.

# Independent auditor's report to the members of Cambridge Arts & Sciences Limited

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Cambridge Arts & Sciences Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2022 and of the company's income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of cash flows;
- the statement of changes in equity; and
- the related notes 1 to 21.

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

### Basis for opinion

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

We are independent of the 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 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.

## Independent auditor's report to the members of Cambridge Arts & Sciences Limited (continued)

### **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. 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Independent auditor's report to the members of Cambridge Arts & Sciences Limited (continued)

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, the Office for Students "Regulatory Advice 9: Accounts Direction"; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment Law, Data Protection and Health and Safety Legislation and Terms and Conditions of Funding for Higher Education issued by the Office for Students.

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.

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 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 and reviewing correspondence with the office for students (OfS).

# Independent auditor's report to the members of Cambridge Arts & Sciences Limited (continued)

## 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 company and its 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 prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

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

### 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 note 5 to the accounts, has been materially misstated.

We have nothing to report in respect of these matters.

## Independent auditor's report to the members of Cambridge Arts & Sciences Limited (continued)

### 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.



Christopher Aylott FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Cambridge  
21 April 2023



## Income statement

For the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
<b>Revenue</b>	5	<b>16,061</b>	15,965
Cost of sales		<b>(13,086)</b>	(14,272)
<b>Gross profit</b>		<b>2,975</b>	1,693
Other operating income	6	<b>395</b>	1,220
Administrative expenses		<b>(1,974)</b>	(2,433)
<b>Operating profit</b>	7	<b>1,396</b>	480
<b>Profit before taxation</b>		<b>1,396</b>	480
Tax on profit	10	<b>(316)</b>	(33)
<b>Profit and total comprehensive income for the financial year</b>		<b>1,080</b>	447

All of the activities of the company are classed as continuing.

There is no other comprehensive income in the current or prior year.

## Statement of financial position

As at 31 August 2022

	Note	2022 £'000	Restated 2021 £'000
<b>Fixed assets</b>			
Intangible assets	11	16	-
Tangible assets	12	855	272
Loans to group undertakings	13	51,222	52,956
		<u>52,093</u>	<u>53,228</u>
<b>Current assets</b>			
Debtors: amounts due within one year	14	10,229	3,692
Cash at bank and in hand		994	375
		<u>11,223</u>	<u>4,067</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(46,587)</u>	<u>(41,646)</u>
<b>Net current liabilities</b>		<u>(35,364)</u>	<u>(37,579)</u>
<b>Total assets less current liabilities</b>		<u>16,729</u>	<u>15,649</u>
<b>Net assets</b>		<u>16,729</u>	<u>15,649</u>
<b>Capital and reserves</b>			
Called-up share capital	17	-	-
Profit and loss account	17	16,729	15,649
<b>Shareholders' funds</b>		<u>16,729</u>	<u>15,649</u>

Details of the prior period adjustment can be found in note 20.

The financial statements were approved by the directors and authorised for issue and are signed on their behalf by:



**C A J Stacey**  
Director  
Company Registration Number: 03454690

Date: 21 April 2023



**K Askham**  
OfS Accountable Officer

21 April 2023

**The notes on pages 20 to 35 form part of these financial statements.**

## Statement of cash flows

For the year ended 31 August 2022

	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Profit for the year		1,080	447
Adjustments for:			
Taxation		316	33
Depreciation		170	172
Writeback of assets		(20)	-
<b>Operating profit</b>		<u>1,546</u>	<u>652</u>
Movements in working capital:			
Increase in debtors	14	(6,688)	(442)
Increase in creditors	15	12,525	26,070
Tax received		-	785
<b>Net cash inflow/(outflow) from operating activities</b>		<u>7,383</u>	<u>27,065</u>
<b>Cash flow used in investing activities</b>			
Purchase of intangible assets	11	(16)	-
Purchase of tangible assets	12	(733)	(75)
Loans to group undertakings	13	(6,015)	(29,389)
<b>Net cash flow used in investing activities</b>		<u>(6,764)</u>	<u>(29,464)</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>		619	(2,399)
<b>Cash and cash equivalents at 1 September</b>		375	2,774
<b>Cash and cash equivalents at 31 August</b>		<u>994</u>	<u>375</u>

The notes on pages 20 to 35 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 August 2022

	Called-up share capital £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 September 2020</b>	-	15,202	15,202
Profit for the financial year	-	447	447
Total comprehensive income for the financial year	-	447	447
<b>At 31 August 2021</b>	-	15,649	15,649
Profit for the financial year	-	1,080	1,080
Total comprehensive income for the financial year	-	1,080	1,080
<b>At 31 August 2022</b>	-	16,729	16,729

# Notes to the financial statements

## 1 General information

Cambridge Arts & Sciences Limited (“the company”) is a private limited company limited by shares and incorporated in England, United Kingdom under the Companies Act 2006. The address of the registered office, which is also the principal place of business, is given on page 1. The principal activity of the company is the provision of pre-university study programmes on behalf of CGS Administrative Services Limited, to enable domestic and international students to meet the entry requirements for a UK university degree course.

## 2 Basis of accounting

These financial statements have been prepared in compliance with United Kingdom Accounting Standards including “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company’s shareholders. The company qualifies and has taken advantage of the following exemptions:

- From the financial instrument disclosures required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements of the group in which the company is consolidated;
- From the key management personnel compensation disclosures required under FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement of the group in which the company is consolidated;
- From the related party disclosures required under FRS 102 paragraphs 33.9 to 33.10 that are with other members of the group, as a wholly-owned subsidiary of Bright Scholar Education Holdings Limited.

This information is included in the consolidated financial statement of Bright Scholar Education Holdings Limited and these financial statements may be obtained from the registered address of the Company, included in note 21.

## 3 Summary of significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and prior year in these financial statements.

### a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost method.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Values are presented in thousands of pounds sterling except where the nature of the disclosure or the value disclosed is such that disclosure in pounds sterling is more appropriate.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### b) Going concern

The directors have considered the company's financial position taking into account reasonably possible changes in trading performance, including the possible impacts of the cost of living and energy crisis on the company. The company has net assets of £16,729,000 (2021: £15,649,000) and net current liabilities of £35,364,000 (2021 restated: 37,579,000), including cash of £994,374 (2021: £374,514) at the balance sheet date. A significant portion of the current liabilities (£44,102,000) relate to amounts due to related entities. The parent company of these related entities has issued a letter of guarantee that these balances will not be demanded for a period of at least 12 months from the approval of the financial statements.

After considering all of the above factors, the directors have a reasonable expectation that the company has sufficient access to adequate resources to continue in operational existence for the foreseeable future, and for at least the period of twelve months following the date of approval of the financial statements. The directors therefore consider it appropriate to adopt the going concern principle in preparing the financial statements.

#### c) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transaction. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions are recognised in the income statement.

Monetary assets and liabilities in foreign currencies are translated into the functional currency of pounds sterling at the rates of exchange ruling at the balance sheet date. Gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within net interest income. All other foreign exchange gains and losses are presented in the income statement within administrative expenses.

#### d) Revenue

Revenue is stated net of VAT (if applicable) and is recognised when the significant risks and rewards are considered to have transferred to the buyer.

Revenue shown in the income statement represents amounts receivable in respect of the provision of educational and tuition services and is recognised as the performance of those services occurs. The management service fee is the provision of tuition and educational services on behalf of students contracted with CGS Administrative Services Limited. The management service fee is in effect from 1 September 2021. Educational services are associated educational services outside the service fee agreement, where sales and contracts are directly with the buyer. Prior to the service fee, all contracts were directly with the students.

Where a contract has only been partially completed at the balance sheet date, revenue represents the fair value of the services provided to date, based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, those amounts are recorded as deferred income or, if potentially refundable within the terms of the contract, as other creditors, both as part of creditors due within one year.

#### e) Interest

Interest income is recognised in the period in which it is earned using the effective interest rate method.

## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### f) Operating leases

Operating leases are arrangements where substantially all of the benefits and risks of ownership remain with the lessor and rentals under such arrangements are charged against profits on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement to reduce the lease expense, on a straight-line basis over the whole life of the lease.

#### g) Employee benefits

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

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

A defined contribution plan is a pension plan under which the company pays fixed contributions into an arrangement separate from the company. Once the contributions have been paid, the company has no further payment obligations. The contributions are recognised as an expense when they are due. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

The company operates an annual bonus plan for employees. An expense is recognised in the income statement when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

#### h) Current and deferred tax

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### i) Intangible assets

Intangible assets are stated at cost less accumulate amortisation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to developing the asset to its working condition for its intended use.

Intangible assets are derecognised when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss and included in 'Other operating income' or 'Administrative expenses'.

#### j) Amortisation and residual values

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Software	10% straight-line
----------	-------------------

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### k) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Assets which are being brought to their total working condition are recorded at cost as assets in progress.

Land and buildings include leasehold schools, colleges, student accommodation and offices. The leasehold buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probably that economic benefits associated with the item will flow to the company and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss and included in 'Other operating income' or 'Administrative expenses'.

#### l) Depreciation and residual values

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	25% straight-line
Plant and equipment	15% - 25% straight-line
Computers	25% straight-line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.



## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### n) Government grants

Government grants are recognised on the accrual basis and any performance requirements are disclosed as required.

#### o) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

#### p) Financial instruments

The company has chosen to adopt Section 11 and 12 of FRS 102 in full in respect of financial instruments, subject to the disclosure exemptions described in note 2.

Basic financial assets, including trade and other debtors, amounts owed by group undertakings, accrued income and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Financing transactions are measured at the present value of the future receipts discounted at the market rate of interest and are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Basic financial liabilities including trade and other creditor, amounts owed to group undertakings and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. For such transactions the debt instrument is measured at present value of the future receipts discounted at a market rate of interest and subsequently carried at amortised cost, using the effective interest rate method.

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

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

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends and other distributions to the company's shareholders are recognised as a liability in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

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 entity after deducting all of its financial liabilities.

## Notes to the financial statements (continued)

### 3 Summary of significant accounting policies (continued)

#### p) Financial instruments (continued)

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 4 Critical accounting estimates and judgements

The company makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities with the next financial year are described below.

#### Critical judgements in applying the Company's accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

#### Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## Notes to the financial statements (continued)

### 5 Revenue

	2022	2021
	£'000	£'000
Management service fee	15,578	-
Educational services	483	15,965
	<u>16,061</u>	<u>15,965</u>

Revenue and profit before taxation are attributable to the principal activity of the company and all revenues arise within the United Kingdom. The management service fee is the provision of tuition and educational services on behalf of students contracted with CGS Administrative Services Limited. The management service fee is in effect from 1 September 2021. Educational services are associated educational services outside the service fee agreement. Prior to the service fee, all educational services were contracted directly with the buyers.

Fee income is collected by CGS Administrative Services Limited for students who attend the company. The income detailed below forms part of the management service fee in 2022 and educational services in 2021:

	2022	2021
	£'000	£'000
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	912	1,012
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	9,567	11,232
Total grant and fee income	<u>10,479</u>	<u>12,254</u>

### 6 Other operating income

	2022	2021
	£'000	£'000
Management recharges	-	1,190
Government grants: Coronavirus Job Retention Scheme	-	30
Rental income	<u>395</u>	<u>-</u>

The UK government on 20 March 2020 announced the introduction of the Coronavirus Job Retention Scheme as a part of a comprehensive set of grants offered to companies to ensure continued business continuity. The company was awarded the grant to furlough employees as required; the scheme finished on 31 September 2021. Management recharges have been superseded by a management service fee agreement, effective from 1 September 2021.

## Notes to the financial statements (continued)

### 7 Operating profit

Operating profit is stated after charging/(crediting):

	Note	2022 £'000	2021 £'000
Depreciation of tangible assets	12	170	172
Loss on disposal of assets		3	-
Bad debt provision		-	110
Operating lease costs		5,686	5,078
Management recharges		-	(1,190)
		<u>          </u>	<u>          </u>

### 8 Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>          110</u>	<u>          16</u>
<b>Fees payable to the company's auditor in respect of:</b>		
Tax compliance services	-	4
All other services	-	1
	<u>          -</u>	<u>          5</u>

## Notes to the financial statements (continued)

### 9 Employees

The average number of staff employed by the company during the financial year amounted to:

	<b>2022</b>	2021
	<b>No.</b>	No.
Teaching and administrative staff	<b>178</b>	198
Temporary teaching staff	<b>9</b>	3
	<b>187</b>	201

The aggregate payroll costs of employees were:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Wages and salaries	<b>5,703</b>	5,640
Social security costs	<b>564</b>	543
Other pension costs	<b>88</b>	106
	<b>6,356</b>	6,289

Directors' remuneration is borne by other group companies and it is deemed not possible to allocate a charge from other group companies.

Number of staff with remuneration above £100,000 per annum:

Basic salary per annum	Number of staff (2021-22)	Number of staff (2020-21)
£100,000 - £104,999	Nil	Nil
£105,000 - £109,999	Nil	Nil
£110,000 - £114,999	Nil	Nil

Key management and directors of the company are remunerated by another group company. The head of the provider received a basic salary of £280,000 (2021: £240,000), performance related pay of £83,520 (2021: 32,000), car allowance of £15,000 (2021: £nil) and employer pension contributions of £2,642 (2021: £2,632). The head of the provider's basic salary is 11.9 times (2021: 12.1 times) the median pay of staff, where the median pay is calculated on the full-time equivalent basis for the salaries paid by the provider to its staff. The head of the provider's total remuneration is 16.0 times (2021: 11.6 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of its staff.

The head of the provider is remunerated for their role as CEO of the CATS Global Schools group. As such their remuneration package covers a wider remit than the company. Their remuneration package is reviewed by the parent group 'Bright Scholar' (note 21) against group key performance indicators and objectives, to ensure that the pay is commensurate with responsibility, outcomes and is value-for-money.

The provider made severance payments, including payments in lieu of notice, of £188,492 (2021: £74,085) during the year to 24 employees (2021: 22 employees). 7 employees (2021: 20 employees) were deemed surplus to requirements. There were no severance payments made to the head of the provider.

## Notes to the financial statements (continued)

### 10 Tax on profit

(a) Tax expense included in the income statement

	2022	2021
	£'000	£'000
Current tax:		
UK Corporation tax based on the profit for the year at 19% (2021: 19%)	221	56
Adjustment in respect of prior periods	(56)	(19)
Total current tax	<u>165</u>	<u>37</u>
Deferred tax:		
Origination and reversal of timing differences	143	71
Adjustments in respect of prior periods	8	46
Adjustments in respect of change in tax rates	-	(121)
Total deferred tax (note 14)	<u>151</u>	<u>(4)</u>
Tax on profit	<u><u>316</u></u>	<u><u>33</u></u>

(b) Factors affecting tax charge

The tax assessed on the profit before taxation for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£'000	£'000
Profit before taxation	<u><u>1,396</u></u>	<u><u>480</u></u>
Profit before taxation multiplied by rate of tax at 19% (2021: 19%)	265	91
Expenses not deductible for tax purposes	4	19
Timing differences	95	-
Adjustment in respect of prior periods	(48)	27
Tax rate changes	-	(104)
Tax on profit	<u><u>316</u></u>	<u><u>33</u></u>

(c) Tax rate changes

The deferred tax balances recognised in the accounts as at year-end have been calculated using the 25% rate. A change in corporation tax is due to take place from 1 April 2023 and was substantively enacted in the Finance Act 2021 on 24 May 2021. This was not adjusted in Finance Act 2022.

## Notes to the financial statements (continued)

### 11 Intangible Assets

	Software	Total
	£'000	£'000
Cost:		
At 1 September 2021	-	-
Additions	16	16
At 31 August 2022	<u>16</u>	<u>16</u>
Accumulated depreciation:		
At 1 September 2021	-	-
Charge for the year	-	-
At 31 August 2022	<u>-</u>	<u>-</u>
Net book value:		
At 31 August 2022	<u>16</u>	<u>16</u>
At 31 August 2021	<u>-</u>	<u>-</u>

## Notes to the financial statements (continued)

### 12 Tangible assets

	Leasehold property	Plant and Equipment	Computers	Assets in progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2021	2,741	2,188	797	-	5,726
Additions	-	532	157	44	733
Disposals	(13)	(28)	(6)	-	(47)
At 31 August 2022	<u>2,728</u>	<u>2,692</u>	<u>948</u>	<u>44</u>	<u>6,412</u>
Accumulated depreciation:					
At 1 September 2021	2,734	1,930	790	-	5,454
Charge for the year	3	157	10	-	170
Eliminated on disposal	(13)	(48)	(6)	-	(67)
At 31 August 2022	<u>2,724</u>	<u>2,039</u>	<u>794</u>	<u>-</u>	<u>5,557</u>
Net book value					
At 31 August 2022	<u>4</u>	<u>653</u>	<u>154</u>	<u>44</u>	<u>855</u>
At 31 August 2021	<u>7</u>	<u>258</u>	<u>7</u>	<u>-</u>	<u>272</u>

All leasehold properties are for a term of less than 50 years.  
 No cash proceeds were received in the disposal of assets.



## Notes to the financial statements (continued)

### 13 Loans to group undertakings

	<b>Loans £'000</b>
Carrying value at 1 September 2021 (Restated)	52,956
Additions	6,015
Disposals	(7,749)
Carrying value at 31 August 2022	<u><u>51,222</u></u>

Loans receivable constitute financing transactions and are measured at amortised cost. All group balances are interest-free, unsecured, and have no fixed date of repayment.

### 14 Debtors: amounts falling due within one year

	<b>2022 £'000</b>	Restated 2021 £'000
Trade debtors	7	39
Amounts owed by group undertakings	8,335	1,377
Deferred tax	284	436
Prepayments and accrued income	1,078	1,700
Other debtors	525	140
	<u><u>10,229</u></u>	<u><u>3,692</u></u>

Trade debtors are stated after provisions for impairment of £nil (2021: £110,387).

All other group balances are interest-free. All group balances are unsecured, have no fixed date of repayment and are repayable on demand.

The change in debtors on the statement of cashflow has been adjusted for the movement in deferred tax of £151,000 (2021: £4,125).

The deferred tax asset is the tax effect of timing differences in respect of:

	<b>2022 £'000</b>	2021 £'000
Excess of depreciation over taxation allowances	284	405
Other short term timing differences	-	31
	<u><u>284</u></u>	<u><u>436</u></u>

During the year £151,000 of deferred tax was charged to the income statement (2021: £4,125 credit). There are no tax losses carried forward.

## Notes to the financial statements (continued)

### 15 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	381	288
Amounts owed to group undertakings	44,102	30,537
Other taxation and social security	289	296
Other creditors	107	3,365
Accruals	1,707	1,573
Deferred income	-	5,587
	<u>46,587</u>	<u>41,646</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The change in creditors on the statement of cashflow has been adjusted for the movement in corporation tax group relief of £165,000 (2021: £815,000) and the off set of amounts owed to group undertakings of £7.7m as per note 13 (2021: £5.4m).

Other creditors include commissions due, deposits and other amounts refundable to students.

### 16 Post-employment benefits

The company operates a defined contribution pension arrangement for the benefit of its employees. The amount recognised as an expense for this arrangement is £88,480 (2021: £105,605). The amount outstanding within creditors as at year end is £41,429 (2021: £48,954).

### 17 Called up share capital and reserves

Allotted, called up and fully paid:	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The Company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution (including on winding up) rights and they do not confer any rights of redemption.

The retained earnings reserve represents the cumulative profits and losses, net of dividends paid and other adjustments.

## Notes to the financial statements (continued)

### 18 Related party transactions

As a wholly-owned subsidiary of Bright Scholar Education Holdings Limited, the company is exempt from the requirement to disclose transactions with other members of the group.

During the year, purchases amounting to £nil (2021: £4,715) were made from Bright Can-Achieve Limited in respect of agent commissions. Bright Can-Achieve Limited is a company incorporated in Hong Kong, and a subsidiary of Bright Scholar Education Holdings Limited.

### 19 Capital and other commitments

At 31 August 2022 the company had future minimum lease payments under non-cancellable operating leases as set out below:

	2022 £'000	2021 £'000
Payments due:		
Not later than one year	11,224	12,753
Later than one year and not later than five years	44,842	42,347
Later than five years	60,173	68,550
	<u>116,239</u>	<u>123,650</u>

Included within this disclosure are amounts committed to by the company. However, the following fellow subsidiaries: CATS Canterbury Limited, CATS College London Limited and Stafford House School of English Limited utilise several of these lease properties.

The company had no other off-balance sheet arrangements and no capital commitments contracted but not provided (2021: none).

### 20 Prior year restatement

	As previously reported	Adjustment	As restated
Current Assets:			
Debtors: amounts due within one year	56,648	(52,956)	3,692
Fixed Assets:			
Loans to group undertakings	-	52,956	52,956
Net impact on total assets	<u>56,648</u>	<u>-</u>	<u>56,648</u>

The amounts owed by parent company and other group undertakings have been restated between current and fixed assets for incorrect classification. These balances are expected to be used on a continuing basis and have therefore been classified as fixed assets. An adjustment has decreased debtors falling due within a year by £52,956,000 and increased loans to group undertakings by the same amount. There has been no impact on the prior year result nor on net assets for the prior period.

## Notes to the financial statements (continued)

### **21 Ultimate controlling party**

The immediate parent company is CEG Colleges Limited, a company incorporated in the United Kingdom.

The ultimate controlling parties are Ms Meirong Yang and Ms Heiyan Yang by virtue of their controlling interest in the company's ultimate parent undertaking.

Bright Scholar Education Holdings Limited is the smallest and largest group which prepares publicly available consolidated financial statements that incorporate the results of the company. Bright Scholar Education Holdings Limited, a company incorporated in the Cayman Islands and listed on the New York Stock Exchange. Copies of the consolidated financial statements may be obtained from the Company's registered address below:

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149 Cherry Hinton Road  
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