REGISTERED NUMBER: 06647488 (England and Wales)

SAE Education Limited

Annual Report and Financial Statements

For the year ended 30 June 2021

Contents of the Annual Report and Financial Statements
For the year ended 30 June 2021

SAE Education Limited

Company Information
For the year ended 30 June 2021

DIRECTORS:	J A Coffin S A Davies D W H Hedges N S Lucas K K S Sandhu
SECRETARY:	Pennsec Limited
REGISTERED OFFICE:	SAE Oxford Littlemore Park Armstrong Road Littlemore Oxford Oxfordshire OX4 4FY United Kingdom
REGISTERED NUMBER:	06647488 (England and Wales)
AUDITOR:	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading Berkshire RG1 3BD United Kingdom

Strategic Report
For the year ended 30 June 2021

The directors present their Strategic Report for the year ended 30 June 2021.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS
During the year turnover increased by 2.5% from £5,333,597 to £5,468,439. The increase was a result of an increase in student numbers, September 2020 saw a new intake of students. The directors are confident student numbers will continue to improve despite the education sector requiring to adapt to online and blended socially distanced teaching as a result of the COVID-19 pandemic. There was a loss for the year after tax of £1,761,463 (2020 restated: £2,006,647).

The Company received the Office for Students (OfS) Learning and Teaching recurrent grant £1,132,572 (2020: £1,397,290) and capital grant £64,323 (2020: £47,090) in the year. The grants have allowed the Company to invest in increased Campus Support Technicians, Student Experience Officers, Teachers, equipment, and initiatives to enhance the delivery and quality of teaching. This facilitated the Company to rapidly respond to online learning and student needs at the beginning and throughout the COVID-19 pandemic.

The underlying fundamentals have improved in the year when reviewing the results without the one off and non-cash items, even with the continued impact of COVID-19.

PRINCIPAL RISKS AND UNCERTAINTIES
United Kingdom exit from the EU risk
The United Kingdom's exit from the European Union continues to be of principal interest to the Company. The Company continues to take an active interest in the development of political policy in this area, assessing and planning for a range of options that may present themselves in differing scenarios in the future.

Coronavirus pandemic
The COVID-19 outbreak has impacted the education sector significantly. The priority has been to ensure that students and staff have as much support as possible. As the global spread of COVID-19 continues, the Company's response continues to be guided by the advice of relevant governments and health authorities. The health and safety of staff and students is the priority and the Company is taking proactive measures to protect their safety and wellbeing.

As a result of a change in teaching delivery and the restricted movement of people, there is a risk that students are less likely to start new courses. However, the Company has a strong domestic student presence and based on recent market data, the Company is optimistic that student numbers will continue to improve whilst navigating through changes in the coronavirus pandemic restrictions.

SECTION 172(1) STATEMENT
The board of directors of SAE Education 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 regards to the stakeholder and matters set out in s172(1)'(a-f) of the Companies Act) in the decisions taken during the year ended 30 June 2021.

In particular, by reference to the approval of our business plan ('our plan') for the period of 2020-25, supported by the board assurance statement accompanying our plan:

- Our plan was designed to have a long-term beneficial impact on the Company and to contribute to its success in creating life-changing opportunities for learners to realise their education and career ambitions.

- 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 gain experience and obtain qualifications that will enable them to enter the creative media industries. We are committed to promoting wellness throughout the organization and ensuring the health and safety of everyone who works for us. SAE 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 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 qualification hold their value over time.

SECTION 172(1) STATEMENT - continued

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

FUTURE DEVELOPMENTS

The directors expect the Company to continue operating at the current levels.

Approved by the board and signed on its behalf by:

....
S A Davies - Director

Date: 29/10/2021

SAE Oxford
Littlemore Park
Armstrong Road
Littlemore
Oxford
Oxfordshire
OX4 4FY
United Kingdom

Directors' Report
For the year ended 30 June 2021

The directors present their Annual Report and the audited financial statements of SAE Education Limited ("the Company") for the year ended 30 June 2021.

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

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of provision of educational courses teaching audio engineering, digital film making and creative media design skills.

GOING CONCERN

The directors have acknowledged the latest guidance regarding going concern. Whilst the current volatility in the macroeconomic environment as a result of the coronavirus pandemic creates great uncertainty, the Company continues trading as normal. The directors have considered the net current liability position of £17,897,255 (2020 restated: £15,942,754) and the loss incurred in the year of £1,761,463 (2020 restated: £2,006,647).

The immediate controlling party is Navitas SAE (UK) Holdings Pty Ltd ("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.

DIRECTORS

The directors who served the Company during the year and to the date of this report were as follows:

J A Coffin
S A Davies
D W H Hedges
N S Lucas (appointed 10 December 2020)
K K S Sandhu

DIRECTORS' INDEMNITIES

The Company has no qualifying third-party indemnity provisions for the benefit of its directors, which were made during the year or remain in force at the date of this report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks.

Cash flow risk
The Company'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 rate to ensure certainty of cash flows.

Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Credit risk - continued

The Company’s credit risk is primarily attributable to its trade receivables. The amounts presented in the Balance Sheet are 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 Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure the sufficient funds are available for ongoing operations and future developments, the Company uses Group intercompany debt pooling facility.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

DIVIDENDS

The directors do not recommend a dividend for the year ended 30 June 2021 (2020: £nil).

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 3.

EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, on the 21st October 2021 a formal announcement was made by the directors to close SAE Oxford Campus in 2022. SAE Oxford Campus has ceased student recruitment immediately for 2022 intake and commenced a teaching out programme. The Office for Students were also formally notified of this closure. As a result, Management renewed the lease for the Oxford campus by only three months through to September 2022 and agreed the property make good exit cost which is held as an estimated provision at the balance sheet date Referenced in Note 22.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

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

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

SAE Education Limited

Directors' Report - continued
For the year ended 30 June 2021

Approved by the board and signed on its behalf by:

....

S A Davies - Director

Date: 29/10/2021

SAE Oxford
Littlemore Park
Armstrong Road
Littlemore
Oxford
Oxfordshire
OX4 4FY
United Kingdom

Directors' Responsibilities Statement
For the year ended 30 June 2021

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 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Governance Statement
For the year ended 30 June 2021

SAE Education Limited (SAE UK) is committed to the highest standards of governance and probity.

SAE UK's Board of Directors (the Board) is unambiguously responsible for the affairs of SAE and corporate governance reporting. It works with the General Manager and the Executive Leadership Team (ELT) of SAE UK 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 Ltd (the ultimate parent company of SAE UK) to determine the final budget and strategic plan. A protocol for approving the budget and strategic plan is in place.

The Board has adopted the Higher Education Code of Governance (2020) and adheres to public interest principles. There are aspects that do not apply to SAE UK, and these have been explained, and alternative mechanisms of suitable governance have been put in place after an extensive review against the Code ensuring adequacy and effectiveness. This review has been documented and is available to view.

The Board has delegated some responsibilities to the ELT which has representation from each campus through the Campus directors which ensures cohesiveness in the management and oversight of SAE UK. The ELT is also of sufficient size as it currently comprises 10 members. SAE UK will want to ensure that the membership does not become too large as this will reduce the quality of the debate and oversight. Currently, the membership is appropriate and provides adequate and effective arrangements for risk management and oversight of regulatory responsibilities.

Academic governance has been long established with the Academic Board at the apex, chaired by an external member. It is supported by two sub-committees, the Learning and Teaching Committee and the Academic Standards and Quality Assurance (ASQA) committee. A new protocol has been established for the UK Board of Directors to engage with the Academic Board to ensure academic experience. This is via an Annual Report from the Academic Board to the UK Board of Directors in the first instance, and through informal engagement between the two bodies, particularly the Chairs.

A single institutional strategic plan and unified codes of practices and policies ensure consistency and equivalency across the campuses. A number of internal controls to ensure that responsibilities are being discharged effectively. This includes clear designation of responsibilities, medium- and long-term planning, risk register protocols, and other processes. External audit is carried out by Deloitte and enhanced internal auditing commenced in 2019. The Audit and Risk Committee was established in 2018 and meets quarterly to assess risk and internal control.

SAE Education Limited

Statement on Internal Controls
For the year ended 30 June 2021

Scope of Responsibility
The Board of Directors, as the governing body of SAE UK, 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 accords with guidance issued by the Office for Students has been in place in SAE UK for the year ended 30 June 2021 (FY21) and up to the date of approval of the financial statements.

Capacity to Handle Risk
SAE UK has an Audit and Risk Committee (ARC) comprising four members and non-members with financial and audit expertise, one of whom is the Chair. The Internal Audit Function is managed by 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
SAE UK has implemented a risk management system, which identifies and reports key risks and the management actions being taken to address and mitigate those risks.

There are risk registers in place, which identify the key risks facing the organisation, and these have been identified, evaluated, and graded according to their significance and likelihood. The risk register, comprising of business, operational, compliance and financial risk, is reviewed at each ARC. 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 process to ensure risks are managed and identified in line with SAE's objectives. The Executive Leadership Team (ELT) of SAE UK has oversight of embedding risk assessments and internal controls in ongoing operations.

Control deficiencies are communicated to those responsible for taking corrective action as well as being reported to the Board of Directors through the Audit and Risk Committee at quarterly meetings.

Review of Effectiveness
SAE 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 auditor, the Audit and Risk Committee which oversees their work and the senior management within SAE UK who are responsible for the development and maintenance of the internal control framework. The risk management and control procedures are also reviewed by the Divisional (Careers and Industry) Leadership Team as per the risk management framework.

Internal Control Issues
No significant internal control weaknesses were identified by Management in relation to FY21 that requires disclosure in the financial statements.

Statement on Regularity, Propriety, and Compliance
For the year ended 30 June 2021

SAE Education 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.

Report of the Independent Auditor to the Members of SAE Education Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of SAE Education Limited (the ‘Company’):
• give a true and fair view of the state of the Company’s affairs as at 30 June 2021 and of its loss for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 “Reduced Disclosure Framework”; 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 Comprehensive Income;
• the Balance Sheet;
• the Statement of Changes in Equity;
• the Cash Flow Statement;
• the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 “Reduced Disclosure Framework” (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.

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

We obtained an understanding of the legal and regulatory frameworks that the 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 and tax legislation;
- 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, GDPR, Employment law, Health and Safety legislation and Office for Student Regulatory Framework.

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 around the timing of revenue recognition (cut-off), and we executed the following specific procedures to address this risk:

- assessing the design and implementation of relevant controls; and
- performing substantive tests of detail, using a heightened sample size, to confirm the recognition of revenue in the correct period;

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

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

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 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Opinions on other matters required by the Office for Students (OfS), and (where applicable) of Research England and other funders "Regulatory Advice 9: Accounts Direction"

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

- funds from whatever source administered by the Company for specific purposes have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

Under the Office for Students 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 to the accounts, has been materially misstated; or
- the provider's expenditure on access and participation activities for the financial year has been materially misstated.

We have nothing to report in respect of these matters.

Report of the Independent Auditor to the Members of SAE Education 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.

Andrew Hornby

Andrew Hornby FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
Berkshire
RG1 3BD

Date: 29 October 2021

SAE Education Limited

Income Statement
For the year ended 30 June 2021

	Note	2021 £	2020 £
			Restated - note 21
TURNOVER	4	5,468,439	5,333,597
Cost of sales		(119,354)	(490,870)
GROSS PROFIT		5,349,085	4,842,727
Administrative expenses		(8,618,651)	(8,043,635)
		(3,269,566)	(3,200,908)
Other operating income	5	1,957,920	1,397,290
OPERATING LOSS		(1,311,646)	(1,803,618)
Interest receivable and similar income	10	7,435	-
Interest payable and similar expenses	11	(457,252)	(203,029)
LOSS BEFORE TAXATION		(1,761,463)	(2,006,647)
Taxation	12	-	-
LOSS FOR THE FINANCIAL YEAR		(1,761,463)	(2,006,647)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(1,761,463)	(2,006,647)

All results are derived from continuing operations.

SAE Education Limited

Balance Sheet
As at 30 June 2021

	Note	2021 £	2020 £
			Restated - note 21
FIXED ASSETS			
Tangible assets	13	3,256,271	2,441,438
CURRENT ASSETS			
Debtors	14	606,307	1,233,925
Cash at bank and in hand		1,641,595	1,540,185
		2,247,902	2,774,110
CREDITORS:			
Amounts falling due within one year	15	(20,145,157)	(18,716,864)
NET CURRENT LIABILITIES		(17,897,255)	(15,942,754)
TOTAL ASSETS LESS CURRENT LIABILITIES		(14,640,984)	(13,501,316)
CREDITORS			
Amounts falling due after more than one year	16	(1,535,739)	(913,944)
PROVISIONS FOR LIABILITIES	18	(1,875,960)	(1,875,960)
NET LIABILITIES		(18,052,683)	(16,291,220)
RESERVES			
Profit and loss account		(18,052,683)	(16,291,220)
		(18,052,683)	(16,291,220)

The financial statements of SAE Education Limited (registered number: 06647488) were approved by the Board of Directors and authorised for issue on ...29/10/2021................. They were signed on its behalf by:

Steffen A Davies

....
S A Davies - Director

Statement of Changes in Equity
For the year ended 30 June 2021

	Profit and loss account £	Total £
Balance at 1 July 2019 (as previously stated)	(15,208,466)	(15,208,466)
Prior year adjustment (note 21)	923,893	923,893
Balance at 1 July 2019 (as restated)	(14,284,573)	(14,284,573)
Total comprehensive expense (as restated)	(2,006,647)	(2,006,647)
Balance at 30 June 2020 (as restated)	(16,291,220)	(16,291,220)
Balance at 1 July 2020	(16,291,220)	(16,291,220)
Total comprehensive expense	(1,761,463)	(1,761,463)
Balance at 30 June 2021	(18,052,683)	(18,052,683)

SAE Education Limited

Cash Flow Statement
For the year ended 30 June 2021

	Note	2021 £	2020 £
			Restated - note 21
Cash flows from operating activities			
Cash generated from operations	19	1,760,302	2,965,650
Interest paid	11	(377,546)	(109,261)
Interest received	10	7,435	
Net cash generated from operating activities		1,390,191	2,856,389
Cash flows from investing activities			
Purchase of tangible fixed assets	13	(101,017)	(272,325)
Grants towards fixed assets		64,323	-
Net cash used in investing activities		(36,694)	(272,325)
Cash flow from financing activities			
Repayment of lease liability	17	(1,252,087)	(1,140,576)
Net cash used in financing activities		(1,252,087)	(1,140,576)
Net increase in cash and cash equivalents		101,410	1,443,488
Cash and cash equivalents at beginning of year		1,540,185	96,697
Cash and cash equivalents at end of year		1,641,595	1,540,185

1. STATUTORY INFORMATION

SAE Education Limited is a private company, limited by guarantee, incorporated in the United Kingdom under the Companies Act 2006 as is registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The Company's principal activities are set out on page 4.

Adoption of new and revised Standards

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7
In September 2019, the IASB issued Interest Rate Benchmark Reform, (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The amendments are not relevant to the Company given that it does not apply hedge accounting to its benchmark interest rate exposures.

Impact of the initial application of COVID-19-Related Rent Concessions Amendment to IFRS 16
In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due in on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

As the Company has no COVID-19 related rent concessions in either year, the application of amendment to IFRS 16 has had no impact on the financial position, financial performance or disclosures of the Company.

Impact of initial application of other amendments to IFRS Standards and Interpretations
In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 Definition of material

2. ACCOUNTING POLICIES

Basis of preparation
The Company meets the definition of a qualifying entity under FRS 100 ‘Application of Financial Reporting Requirements’ issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets and certain related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Marron Group Holdings Pty Ltd, refer to note 23.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services when originally obtained.

Going concern
The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' Report on page 4. The Company is expected to continue in existence for the next 12 months.

The directors, having assessed the responses of the Company'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 Company 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 Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future being 12 months post year end. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover
The Company recognises revenue from the following major sources:

- Tuition fees earned; and
- Ancillary income from students

Turnover representing tuition fees earned and ancillary income from students, is recognised over the period the classes are delivered and is stated net 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. All turnover arises within the United Kingdom from the single principal activity.

Office for Students Learning and Teaching recurrent grant
The Office for students revenue grant is recognised in full on a performance level as the Company complies and meets the criteria of the conditions of the grant. The Office for Students capital grant is recognised as deferred income and unwound against the life of the assets.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Furniture and equipment - 20% to 25% per annum straight line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Leasehold improvements are depreciated over 10 years, in accordance with the length of the lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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 in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the 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.

2. **ACCOUNTING POLICIES - continued**

Recognition and measurement - continued

Amortised cost and effective interest method - continued

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.

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 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 Company 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 Company recognises a loss allowance for expected credit losses 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 Company 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 Company’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 Company 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.

2. **ACCOUNTING POLICIES - continued**

Financial instruments - continued

Impairment of financial assets - continued

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company 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 Company 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 Company'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 Company'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; and
- 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.

Irrespective of the outcome of the above assessment, the Company 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 Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company 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 Company 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 are no past due amounts.

The Company 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.

2. ACCOUNTING POLICIES - continued

Financial instruments - continued

Impairment of financial assets - continued

(ii) Definition of default

The Company 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 Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company 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 Company 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, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade debtors, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company’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.

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

If the Company 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 Company 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.

2. ACCOUNTING POLICIES - continued

Financial instruments - continued

Impairment of financial assets - continued

(v) Measurement and recognition of expected credit losses - continued
The Company 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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company'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 Company'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 Company derecognises financial liabilities when, and only when, the Company'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.

2. **ACCOUNTING POLICIES - continued**

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Taxation

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Employee benefit costs

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

Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company separates the lease and non-lease components of the contract and accounts for these separately. The consideration in the contract is then allocated to each component on the basis of their relative stand-alone prices.

The Company leases premises for tuition and related services. The lease terms vary significantly and can include escalation clauses, renewal options and termination rights. Escalation clauses vary between fixed rate, inflation- linked, market rent and combination reviews.

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment, assessed in accordance with the Company's impairment policy.

Lease liabilities

Lease liabilities are recognised by the Company at the commencement date of the lease. Lease liabilities are measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or rate.

2. **ACCOUNTING POLICIES - continued**

Leases - continued

Lease liabilities - continued

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments).

Extension options are included in a number of leases. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Lease of low-value assets

The Company does not recognise right-of-use assets and lease liabilities for low-value assets comprising of IT equipment and small items of office furniture and equipment. Lease payments on leases of low-value assets are recognised as expensed on a straight-line basis over the lease term.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

The directors do not consider there to be any key sources of estimation uncertainty.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the Company.

An analysis of the Company's turnover by class of business is set out below.

	2021 £	2020 £
Turnover:		
Tuition fees earned	5,438,856	5,269,965
Ancillary income from students	29,583	63,632
	5,468,439	5,333,597

5. OTHER OPERATING INCOME

	2021 £	2020 £
OfS learning and teaching recurrent grant	1,132,572	1,397,290
OfS capital grant	17,787	-
Furlough income	94,304	-
Management fee	713,257	-
	1,957,920	1,397,290

The Office for Students (OfS) learning and teaching recurrent grant for the year was £1,132,572 (2020: £1,397,290). The capital grant received was £64,323 (2020: £47,090), the revenue is released in line with the depreciation, £17,787 (2020: £nil).

6. AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual amount to £42,000 (2020: £43,800) and are borne by another group company.

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

7. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	3,472,723	2,906,939
Social security costs	323,228	277,186
Other pension costs	212,992	170,135
	4,008,943	3,354,260

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

	2021 No.	2020 No.
Teaching and Administrative	129	118

7. EMPLOYEES AND DIRECTORS - continued

Additional remuneration disclosures:

Senior staff pay

Basic salary per annum	# of staff
£100,000-£104,999	-
£105,000-£109,999	-
£110,000-£114,999	1

Total remuneration for the Head of Provider

Basic salary	91,176
Payment of dividends	-
Performance related pay	17,017
Pension contributions	3,506
Payments in lieu of pensions contribution	-
Salary sacrifice	2,192
Compensation for loss of office	-
Other taxable benefits	-
Non taxable benefits	-
Other remuneration	-

Justification for the total remuneration package

The Head of Provider of SAE Education Limited was remunerated below the company and sector benchmarks for this role during the year. This is due to the fact that the organisation had been suffering from low / negative profits and also magnified by a voluntary reduction between June 2020 to November 2020 due to the impact of COVID-19.

The performance of the Head of Provider is based on Board of Directors appraisal, Group Company Leadership Incentive Plan Scorecard, National Student Survey results, non-continuation rate and student recruitment KPIs. The Head of Provider's performance has been assessed as being outstanding, particularly with regards to his impact on student experience, student recruitment and financial controls.

Ratios

Basic salary ratio	3.22
Total remuneration ratio	3.75

SAE Education 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. SAE Education Limited has benefitted from shared resources within the 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 SAE Education Limited as they are not direct employees of SAE Education Limited.

The senior staff banding includes a director of SAE Education Limited who is not the Head of Provider but works across the Group, including SAE Education Limited, who is located in Oxford.

7. EMPLOYEES AND DIRECTORS - continued

	2021 £	2020 £
Directors' remuneration	240,376	252,977
Directors' employer pension contribution	14,349	24,188
Directors' total remuneration	254,725	277,165

	2021 £	2020 £
Highest paid director	132,182	124,696

Severance pay of £1,353 (2020: £Nil) was paid to 1 employee during the year (2020: none).

8. ACCESS AND PARTICIPATION EXPENDITURE

	2021 £	2020 £
Access investment	110,732	-
Financial support	92,950	-
Research	30,000	-
Total	233,682	-

Full expenditure of Access investment of £110,732 relates to staff cost. This expenditure is included in the overall employee cost in Note 7.

Access and Participation Plan can be found here: https://www.sae.edu/gbr/access-and-participation-higher-education-sae

9. LOSS BEFORE TAXATION

The loss before taxation is stated after (crediting)/charging:

	2021 £	2020 £ Restated
Other operating income	(1,957,920)	(1,397,290)
Make good provision increase	-	1,349,960
Depreciation - ROU asset (note 13)	1,028,870	975,823
Depreciation - owned assets (note 13)	363,671	453,370
Loss on disposal of fixed assets	-	24,467
Bad debts	368,609	299,268
Other operating leases	2,618	1,248

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Receivables from Group Undertakings	7,435	-

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Payable to group undertakings	377,546	109,261
Interest expense on lease liabilities (note 17)	79,706	93,768
	457,252	203,029

12. TAXATION

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 30 June 2021 nor for the year ended 30 June 2020.

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Loss before income tax	(1,761,463)	(2,006,647)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(334,678)	(381,263)
Effects of:		
Expenses not deductible	23,092	33,636
Amounts not recognised	311,587	373,243
Adjustment for the year	(1)	(25,616)
Tax expense	-	-

Finance Act 2020 reinstated the corporation tax rate to 19% for the financial year commencing 1 April 2020 and this rate was used in the June 2020 deferred tax calculations. Finance Bill 2020 increases the corporation tax rate to 25 % with effect from 1 April 2023. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances have been calculated at the rate at which the relevant balance is expected to be recovered or settled.

A deferred tax asset of £3,871,762 (2020: £2,832,108) has not been recognised in the year due to the uncertainty of the timing of future profits.

13. TANGIBLE FIXED ASSETS

	Right of use assets buildings £	Leasehold improvement £	Furniture and equipment £	Total £
COST				
At 1 July 2020	2,496,773	2,156,440	3,215,217	7,868,430
Additions	2,106,356	-	101,017	2,207,373
At 30 June 2021	4,603,129	2,156,440	3,316,234	10,075,803
DEPRECIATION				
At 1 July 2020	975,823	1,672,856	2,778,313	5,426,992
Charge for year	1,028,870	156,060	207,610	1,392,540
At 30 June 2021	2,004,693	1,828,916	2,985,923	6,819,532
NET BOOK VALUE				
At 30 June 2021	2,598,436	327,524	330,311	3,256,271
At 30 June 2020	1,520,950	483,584	436,904	2,441,438

The Company leases several assets including buildings and plant. The average lease term is 9.11 years (2020: 9.32 years).

At 30 June 2021, the Company is committed to £1,389,464 (2020: £984,947) for short-term leases.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	307,879	836,868
Amounts owed by parent undertakings	11,340	-
Prepayment	186,646	305,782
Other debtors	100,442	91,275
	606,307	1,233,925

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

Trade debtors is shown net of expected credit losses recognised amounting to £1,205,239 (2020: £832,540).

Amounts owed by group undertakings of £11,340 is owed to Navitas (UK) Holdings Ltd.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £ Restated
Trade creditors	191,372	553,609
Amounts owed to other group undertakings	15,549,691	14,869,256
Social security and other taxes	93,505	66,024
VAT	126,753	123,107
Deferred income	1,959,220	1,731,519
Accrued expenses	835,152	388,402
Lease liabilities (note 17)	1,389,464	984,947
	20,145,157	18,716,864

The amounts owed to group undertakings are not secured and have a variable rate of interest. These amounts are payable on demand, however the Company has sought letters of support and letters of comfort confirming that the Company will be supported and intercompany debt will not be called upon for at least 12 months from signing date (note 2).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Leases liabilities (note 17)	1,535,739	913,944

17. LEASES

The carrying amounts of the lease liabilities are as follows:

	2021 £	2020 £
Lease liabilities:		
Current (note 15)	1,389,464	984,947
Non-current (note 16)	1,535,739	913,944
Total lease liabilities	2,925,203	1,898,891

Analysis of lease liabilities:

	2021 £	2020 £
Amounts due for settlement:		
Less than one year	1,389,464	984,947
Between one and five years	934,927	913,944
After five years	600,812	-
	2,925,203	1,898,891

The total cash outflows for leases amount to £1,252,087 (2020: £1,140,576) (recognised as ‘financing activities’).

All lease payments during the year were fixed.

The total low value leases amount was £2,618 (2020: £1,248).

There are no extension or termination options on the lease.

18. PROVISIONS FOR LIABILITIES

	Make good provision	Total provisions
	£	£
Balance at 1 July 2020	1,875,960	1,875,960
Additional charge in the year	-	-
Release of surplus provision	-	-
Balance at 30 June 2021	1,875,960	1875,960

Provisions are measured at the present value of the Company’s best estimate of the expenditure required to settle the present obligation at the balance sheet date. No discounting is considered as it is deemed to yield immaterial changes to the provision.

The provision for liabilities relates to make good provisions. Under the terms of the Company's lease agreements across certain UK campuses, the Company must restore leased premises to their condition as at the commencement of the lease.

19. RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Loss for the financial year	(1,761,463)	(2,006,647)
Depreciation of tangible assets	1,392,540	1,429,193
Eliminated on disposal	-	23,344
Net Finance costs	457,252	203,029
Interest received	(7,435)	-
Decrease in debtors	627,618	1,680,851
Increase in creditors	1,051,790	1,635,880
	1,760,302	2,965,650

20. RETIREMENT BENEFIT SCHEME

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the profit and loss account of £212,992 (2020: £170,135) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans.

21. PRIOR YEAR ADJUSTMENT

During the year, the Company performed a transfer pricing review of its arrangements, and determined that historical costs from the Middlesex University validation fee should not have been accrued. This is because the validation fee already forms part of the annual royalty fee paid to Navitas SAE (UK) Holdings Pty Limited (the intellectual property holder of the Group). As a result, costs of sales, retained earnings and the related liabilities have been overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods.

The impact on the lines affected in the income statement for the year ended 30 June 2020 are as follows:

	Previously reported	**Adjustment**	**Restated**
	£	**£**	**£**
Turnover	5,333,597	-	5,333,597
Cost of sales	(625,690)	134,820	(490,870)
Administrative expenses	(8,043,635)	-	(8,043,635)
Other operating income	1,397,290	-	1,397,290
Interest receivable and similar income	-	-	-
Interest payable and similar expenses	(203,029)	-	(203,029)
Tax on loss	-	-	-
Total comprehensive loss	(2,141,467)	134,820	(2,006,647)

The impact on the lines affected in the balance sheet for the year ended 30 June 2020 are as follows:

	Previously reported	**Adjustment**	**Restated**
	£	**£**	**£**
Tangible fixed assets	2,441,438	-	2,441,438
Debtors	1,233,925	-	1,233,925
Cash at bank	1,540,185	-	1,540,185
Creditors falling due within one year	(19,775,577)	1,058,713	(18,716,864)
Creditors falling due after more than one year	(913,944)	-	(913,944)
Provisions for liabilities	(1,875,960)	-	(1,875,960)
Net Liabilities	(17,349,933)	1,058,713	(16,291,220)

The adjustment impacts the opening retained earnings as at 1 July 2019. Retained earnings as at 1 July 2019 as previously stated was (£15,208,466). The adjustment increased retained earnings by £923,893. As at 1 July 2019 the restated retained earnings is (£14,284,573).

22. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the balance sheet date, on the 21st October 2021 a formal announcement was made by the directors to close SAE Oxford Campus in 2022. SAE Oxford Campus has ceased student recruitment immediately for 2022 intake and commenced a teaching out programme. The Office for Students were also formally notified of this closure. As a result, Management renewed the lease for the Oxford campus by only three months through to September 2022 and agreed the property make good exit cost which is held as an estimated provision at the balance sheet date.

There have been no other significant events occurring after the balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs apart from the matters noted above.

23. CONTROLLING PARTY

The ultimate parent company at 30 June 2021 Marron Group Holdings Pty Ltd, registered in Australia. This is the smallest and largest groups to consolidate the results of the Company. The registered office address is Melbourne, 3000, Victoria, Australia, from which consolidated financial statements may be obtained. The immediate parent entity is Navitas SAE (UK) Holdings Pty Ltd. The registered office address is Littlemore Park, Armstrong Road, Littlemore, Oxford, Oxfordshire, OX4 4FY, United Kingdom.

24. LIMITED BY GUARANTEE

The Company is incorporated as a company limited by guarantee having no share capital and, in accordance with the memorandum of association, the members of the Company are liable to contribute up to £1 each in the event of the Company being wound up.