LIBF

LIBF LIMITED

DIRECTORS’ REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

TABLE OF CONTENTS

DIRECTOR'S REPORT

The Directors of LIBF Limited have the pleasure in presenting their report along with the audited financial statement for the year ended 31 December 2023.

BACKGROUND AND NATURE OF OPERATIONS

LIBF Limited, which has its head office at 7th & 8th Floor, Peninsular House, Monument Street, London, England EC3R 8LJ and with company number 13621269 (hereinafter also referred to as: "the Company") operates as a private university for banking and finance. It provides education and training to ~50,000[1] students and issues degrees to students and professionals. In 2022, LIBF Limited was a dormant company.

In 2023, LIBF Limited, a subsidiary of IU Group, acquired the assets of the London Institute of Banking and Finance. IU Group, the largest private university in Germany, made the strategic decision to combine its existing online expertise with London Institute of Banking and Finance's reputation as a high-quality education provider to bring affordable online offerings to the UK market.

PRINCIPAL ACTIVITIES

LIBF Limited's principal activity is providing private education. It offers training programmes and awards degrees to students and professionals. These programmes encompass undergraduate and postgraduate qualifications, as well as apprenticeships. Additionally, LIBF Limited provides professional certifications for professionals in mortgage, finance, commercial banking, trade, and retail banking. LIBF Limited has two subsidiaries – The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking & Finance (APAC) PTE Ltd – but this report provides financial information solely relating to LIBF Limited as a single entity. Additional commentary for the subsidiaries can be found in the strategic report section.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' 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 applicable law and UK Adopted International Accounting Standards.

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;
- 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 to 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.

[1] Includes Schools and Professional Education programmes

DIRECTORS

The Directors who held office up to the date of signature of the financial statements were as follows:

Gerard A. Lemos	Carolin L. Kreuder
Julian A. Fraser	Sangwon Oh
Regina V. Cordes Nee Frey	Hanif Barma
Florian M. Hummel	Damian R. Ward

CHANGE OF DIRECTORS

Changes in Directors during the financial year ended 31 December 2023 were as follows:

Appointments		**Resignations**	
Name	**Date**	**Name**	**Date**
Julian A. Fraser	03/23	Peter Thuy	07/23
Gerard A. Lemos	03/23	Marvin C. Lange	11/23
Damian R. Ward	03/23		
Carolin L. Kreuder	07/23		
Hanif Barma	11/23		
Sangwon Oh	11/23		

DIRECTORS RENUMERATION DISCLOSURE

The total remuneration to Directors in 2023 amounted to £73k[2]. LIBF Limited had in place a qualifying third-party indemnity provision for the benefit of one or more Directors during the financial year.

AUDITOR

Subsequent to the year-end Haysmacintyre LLP were appointed as auditor.

STATEMENT OF DISCLOSURE TO AUDITOR

At the date of making this report, each of the Directors confirm the following:

- so far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the auditors are unaware; and
- each Director has taken all the steps that he or she ought to take as a Director in order to make him or herself aware of any relevant information needed by the auditors in connection with preparing their report to establish that the auditors are aware of that information.

On behalf of the Board

31 May 2024

Gerard A. Lemos, Chair

Julian A. Fraser, Chief Executive

[2] This figure excludes the compensation of Julian A. Fraser whose remuneration is included under key personnel compensation – see Note 9.

STRATEGIC REPORT

OVERVIEW

The year 2023 was a period of significant change stemming from the acquisition by IU Group. During the period following the acquisition, we began aligning our operations with the IU Group while maintaining our unique identity and mission. This alignment led to some rationalisation of our existing businesses. We decided to withdraw our Financial Education qualifications and our two full-time undergraduate degrees. At the same time, we introduced a number of online undergraduate and postgraduate degrees in a broad range of disciplines. We have reaped significant benefits from being part of a larger group and are able to call on a wide range of resources to improve our speed to market and we can access technology which will enable LIBF to take a leading position in the provision of online degrees. As we look forward, our core objective remains to grow and strengthen the business, with scalability a driving force.

Although some of our activities performed disappointingly in 2023, the long-term fundamentals of the business remain solid across both Higher Education and Professional Education. Despite recording a loss, cash flow remained positive during the year due to continued support from IU Group and we remain confident for continued financial sustainability into the future.

Higher Education

Enrolment for our existing full-time undergraduate programme fell short of expectations, with the pool of applicants dropping significantly below 2023 levels. In its current format, the full-time programme lacks scalability and carries an unsustainable level of cost. Consequently, the decision was made to phase out this part our provision while ensuring that current students are not in any way disadvantaged by this decision. In contrast, the collaboration with IU Group has accelerated growth in online degrees at undergraduate and postgraduate levels. New degrees across a range of disciplines were launched in Q4 and were well received in the market. We continue to offer a number of banking-related Degree Apprenticeships, both bespoke and open.

Professional Education

2023 was a challenging year for the Professional Education division. Sharp increases in interest rates resulted in very low levels of mortgage lending which adversely impacted demand for our market leading CeMAP qualification. Our Trade Finance qualifications continue to be lower than pre-Covid, largely because of weaker demand from China, one of our key markets. Financial advice enjoyed another good year, and we expect this trend to continue thanks in part to our newly revamped Diploma in Financial Advice which has been well-received in the market. In the banking sector, demand for traditional qualifications continues to fall, and we have begun the process of phasing out some of our existing qualifications. We continue to be awarded mandates for bespoke training programmes from large financial institutions in areas such as Risk and Sustainability.

Financial Education

The Level 2 and Level 3 Financial Education qualifications have been operating against a backdrop of continued uncertainty in terms of policy and that, added to the lack of scale, led us to decide to withdraw these qualifications with the last students being assessed in 2025. We are in discussions with other awarding bodies who have expressed interest in continuing to offer our qualifications in the future.

MENA & APAC Subsidiaries

After 4 years of significant growth, our MENA operation had a disappointing year. This was mainly due to weakening demand for our core banking qualifications in Abu Dhabi and delays to several large government-sponsored projects. We expect the picture in 2024 to improve both in Abu Dhabi and also in Saudi Arabia and Qatar where we have strong local partners and where demand for banking qualifications is strong.

As far as APAC is concerned, we continue to run programmes in Operational Risk for one of the largest financial institutions in the region and are seeing increased demand in areas such as Fintech and Risk.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board recognises the importance of proactively managing risks to ensure the Company's continued success. As part of our risk management strategy, we are actively addressing key areas that present potential challenges while taking steps to mitigate them.

Maintaining a Competitive Edge

We are committed to delivering engaging, relevant and up-to-date qualifications and training and to improving our competitive edge. Being able to access a wide range of e-learning technology through IU Group will help strengthen our offerings in markets where such technology plays an important part in customer decisions.

Diversification

A major change since the acquisition has been the reduction of our dependence on Financial Services and particularly Banking which has historically carried significant concentration risk. We are making major changes to our Higher Education portfolio and have launched and will continue to launch online degrees with a much broader appeal.

Ensuring Financial Sustainability

Adverse impacts such as economic downturns, changes in regulatory framework, shifting student demands and other external factors may lead to reduced profitability. We aim to mitigate such risks by ensuring efficient cost management, enhanced financial planning and scenario analyses, and continued diversification of revenue streams.

Regulatory Compliance

We operate in a sector which is highly regulated, and we deploy significant resources to ensure compliance. Regulation is regularly monitored by the Board and its Committees.

Prioritising the Student Experience

A key institutional priority is maintaining an engaging learning environment which encourages students to progress. We collect student feedback on a regular basis and have a programme of continuous improvement.

Embracing Technological Advancements

Recognising the importance of staying at the forefront of technological advancements in learning, teaching, and assessment, we are actively investing in scalable, innovative technologies to enhance both remote and traditional learning experiences. Additionally, we are committed to understanding and adapting to changing student preferences, offering a diverse range of learning formats to meet student expectations in the post-pandemic landscape.

On behalf of the board

31 May 2024

Gerard A. Lemos, Chair

Julian A. Fraser, Chief Executive

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF LIBF LIMITED

Opinion

We have audited the financial statements of LIBF Limited (the ‘Company’) for the year ended 31 December 2023 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards (UK-IAS).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2023 and of the Company’s loss for the year then ended;
- have been properly prepared in accordance with UK-IAS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the entity’s ability to continue to adopt the going concern basis of accounting included review of management’s forecasts of future performance and ability to meet its liabilities as they fall due.

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 LIBF Limited'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 Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

Matters On Which We Are Required To Report By Exception

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 material misstatements in the strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the 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.

Responsibilities Of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

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:

Explanation As To What Extent The Audit Was Considered Capable Of Detecting Irregularities, Including Fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the Company and trade regulators such as the Office for Students, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

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

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.

Tom Brain (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

3 June 2024

10 Queen Street Place

London

EC4R 1AG

STATEMENT OF PROFIT OR LOSS

	Notes	31/12/2023 £000s	31/12/2022 £000s
Revenue	*3*	11,828	-
Own Work Capitalised		264	-
Cost of Material and Services	*4*	(2,405)	-
Personnel Costs	*5*	(7,058)	-
Amortisation and Depreciation	*6*	(835)	-
Other Operating Expenses	*7*	(6,604)	-
Financial Income	*10*	171	-
Financial Expense	*10*	(121)	-
Loss Before Income Tax		**(4,760)**	**-**
Income Tax		-	-
Income From Discontinued Operations		-	-
Loss For The Year		**(4,760)**	**-**

STATEMENT OF COMPREHENSIVE INCOME

	31/12/2023 £000s	31/12/2022 £000s
Loss for the Year	(4,760)	-
Other Comprehensive Income – Pension Scheme	(6,101)	-
Total Comprehensive Income for the Year	**(10,860)**	**-**

STATEMENT OF CHANGES IN EQUITY

	Other Capital Reserves £000s	Retained Earnings £000s
Balance at 1 January 2022	-	-
Profit For the Year	-	-
Balance at 31 December 2022	**-**	**-**
Balance at 1 January 2023	-	-
Loss For the Year	(6,101)	(4,760)
Balance at 31 December 2023	**(6,101)**	**(4,760)**

BALANCE SHEET

	Notes	31/12/2023 £000s	31/12/2022 £000s
Non-Current Assets			
Goodwill	*11*	6,272	-
Intangible Assets	*12*	7,448	-
Property, Plant and Equipment	*13*	4,934	-
Other Assets – Non – Current	*14*	2,578	-
Non-Current Assets		**21,232**	-
Current Assets			
Inventory	*15*	25	-
Accounts Receivable	*16*	4,274	-
Other Receivables – Current	*17*	1,382	-
Cash and Cash Equivalents	*18*	4,847	-
Current Assets		**10,528**	-
Total Assets		**31,760**	-
Capital			
Share Capital	*19*	31,111	-
Other Capital Reserves	*20*	(6,101)	-
Retained Earnings		(4,760)	-
Total Capital		**20,250**	-
Current Liabilities			
Accounts Payable and Other Liabilities – Current	*21*	1,134	-
Current Leasing Liabilities	*22*	439	-
Other Short – Term Provisions	*21*	899	-
Deferred Revenues – Current	*23*	5,176	-
Total Short-Term Debts		**7,648**	-
Non-Current Liabilities			
Non – Current Leasing Liabilities	*22*	2,531	-
Deferred Revenues – Non – Current	*23*	1,330	-
Total Long-Term Debt		**3,862**	-
Total Liabilities and Capital		**31,760**	-

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

31 May 2024

Gerard A. Lemos, Chair

Julian A. Fraser, Chief Executive

Company registration number: 13621269 (England and Wales)

STATEMENT OF CASH FLOWS

	31/12/2023 £000s	31/12/2022 £000s
Cash Flow From Operating Activities		
(Deficit For Year)	(4,760)	-
Adjustment For Non-Cash Items		
Depreciation & Amortisation	835	-
(Increase) / Decrease In Stock	(7)	-
(Increase) / Decrease In Debtors	(1,406)	-
Increase / (Decrease) In Creditors	2,091	-
Increase / (Decrease) In Lease Liabilities	(766)	-
Other Non-Cash Items	(14)	
Net Cash Flow From Operating Activities	**(4,027)**	**-**
Cash Flows From Investing Activities		
Changes In Tangible Assets	510	
Changes In Intangible Assets	(419)	
Net Cash Flow From Investing Activities	**92**	**-**
Cash Flows From Financing Activities		
Issuance of Share Capital	4,949	-
Net Cash Flow	**1,014**	**-**
Cash and Cash Equivalents – Acquired	3,832	-
Cash and Cash Equivalents – End of the Year	4,847	-

NOTES TO THE FINANCIAL STATEMENTS

1. KEY ACCOUNTING POLICIES

1.1 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of LIBF Limited for the year ended 31 December 2023 were prepared in accordance with the UK adopted international accounting standards (UK-IAS) and the International Financial Reporting Standards (IFRS). LIBF Limited is a medium-sized private limited company limited by shares and is registered in England and Wales (registration number: 13621269). The financial statements represent LIBF Limited as a single entity (i.e., LIBF Limited subsidiaries are not included in the financial statements presented). LIBF has taken advantage of the exemption available under s.401 of the Companies Act 2006 from preparing consolidated financial statements because it is a wholly-owned subsidiary of a larger group. The parent undertaking which prepares and published consolidated financial statements that include LIBF Limited is IU Group N.V., whose registered office address is Square Ambiorix 10, 1000 Bruxelles.

1.2 ACQUISITION ACCOUNTING

The Company follows the acquisition accounting policy as per IFRS 3 Business Combinations. Under this policy, an acquisition is recognised as a business combination when LIBF Limited obtains control over one or more businesses. Control is defined as the ability to obtain the variable returns from the acquired business and the power to direct its activities.

1.3 REVENUE RECOGNITION

LIBF Limited recognises revenue when the control of the promised goods or services is transferred to the customer and we have a probable right to payment for the performance obligation. In accordance with IFRS 15, we estimate the amount of returns, refunds, and other similar obligations associated with the sale of goods or services. This estimate is based on historical experience, industry trends, and other relevant factors. The estimated amount of these obligations is recorded as a liability and deducted from the recognised revenue. Income is predominantly related to tuition fees and education contracts and is recognised over the length of the course being offered. Any amounts received in advance are included within deferred income.

1.4 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions arising from normal trading activities are recorded at the rates in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at year-end are translated at the year-end exchange rate. Foreign currency gains and losses are credited or charged to the statement of comprehensive income and expenditure as they arise.

1.5 INCOME TAXES

Current taxes

The Company has not recognised a current tax expense for the year ended 31 December 2023. This is because the Company has incurred a taxable loss during the reporting period. Current taxes are determined based on the respective tax results and recognised to the extent that they will probably be recognised for tax purposes. If uncertainties regarding such recognition exist, tax liabilities are recognised in the amount of the best possible estimate of the anticipated tax payment. The inclusion of tax liabilities from uncertain tax items in accounting only takes place if their realisation is probable. The assumptions and decisions made are reviewed at each reporting date and, where necessary, adjusted based on any new knowledge gained.

Deferred taxes

Deferred taxes are recognised due to temporary differences between the amounts recognised in the respective tax accounts at national level. As of the reporting period, the Company has no recognised deferred tax assets or liabilities. Calculations are made according to the liability method of IAS 12. For the assessment of the recoverability of the deferred tax assets, an assessment is made regarding the extent to which realisation is sufficiently probable and whether sufficient convincing substantive indicators can be demonstrated. Whether the deferred tax assets can be realised depends on whether a sufficient level of tax income can be generated in future against which the temporary differences and tax loss carry forwards can be offset. In this context, existing taxable temporary differences or corporate planning are drawn upon. If utilisation cannot be expected, then corresponding loss allowances are recognised. The assumptions made here regarding the future taxable income available for the utilisation of deferred tax assets are nevertheless subject to uncertainties. Deferred tax liabilities and assets are netted if a legally enforceable right to offset current tax assets against current tax liabilities exists and if the deferred taxes relate to income taxes that are levied by the same tax authority.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Useful life of 4 years
Computer hardware and software	Useful life of 3 years
Furniture and equipment	Useful life of 5 years
Right of use assets	Over the life of the lease

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

LIBF Limited accounts for leases in accordance with IFRS 16 Leases. IFRS 16 requires the recognition of right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets represent the Company's right to use underlying leased assets. They are initially recognised at cost, which includes the initial payment of the lease, any incremental costs directly attributable to the right-of-use asset, and the present value of non-cancellable lease payments. Subsequent to initial recognition, the assets are depreciated on a straight-line basis over the useful life of the underlying asset or the lease term, whichever is shorter. The depreciation method and useful lives are reviewed periodically.

1.7 INTANGIBLE ASSETS

Development expenditure is charged to the income statement in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset. Intangible assets are stated at cost or fair value on recognition less accumulated amortisation and any impairment in value. Amortisation is calculated so as to write off the cost or valuation of intangible asset over the useful economic life, on the following bases:

Trademark rights	Useful life of 16-18 years
Customer relationships (corporate)	Useful life of 10 years
Customer relationships (students)	Useful life of 3 years
Self-generated courses	Useful life of 2-5 years

The useful lives of our intangible assets vary. Trademark rights, for example, have a useful life of 18 years for LIBF and CeMAP, and 16 years for CDSC. Customer relationships are categorised by client type, with a 10-year useful life for corporate relationships and a 3-year useful life for student relationships. Similarly, the useful life of self-generated courses varies by programme type: 5 years for Professional Education, 4 years for Higher Education, and 2 years for Financial Education.

1.8 INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting data and any impairment losses or reversals of impairment losses are recognised immediately by in profit or loss. A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 INVENTORIES

Inventories are valued at the lower of cost or net realisable value and mainly consist of course materials (e.g. books).

1.10 RESERVES

Unrestricted reserves represent the accumulated net income of LIBF Limited that are retained for future use. The use of reserves are at the discretion of the Directors and are not subject to any legal statutory restrictions on use.

1.11 FINANCIAL ASSETS

IFRS 9 stipulates the requirements regarding the recognition and measurement of financial assets and contains three basic categories for the classification of financial assets: those measured at amortised cost (AC), those measured at fair value with changes through other comprehensive income (FVOCI) and those measured at fair value with changes through profit or loss (FVTPL).

The classification of financial assets pursuant to IFRS 9 is carried out based on the business model of the Company for managing financial assets and the characteristics of the cash flows. Trade receivables are recognised from the date on which they arise onwards.

The financial assets of LIBF Limited are initially recognised on the trade date if the Company becomes a contractual party under the contractual terms of the financial instrument. The amount recognised here is the settlement amount.

The loans to related parties are initially measured at fair value. The trade receivables of LIBF Limited do not have any significant financing component and are therefore measured at transaction price upon initial recognition. Cash is measured at fair value.

Trade receivables are not sold and are usually recovered by the Company itself. In addition, the underlying contracts contain exclusively the claim for the payment of the receivable and fulfil the requirements for “standard cash flow conditions”. For these reasons, the trade receivables undergo subsequent measurement within the “amortised cost” category. Both cash and other assets undergo subsequent measurement at “amortised cost”.

The risk provisions and thus also the loss allowances for trade receivables are based on the model of expected credit losses pursuant to IFRS 9.

Regarding trade receivables, the amount recognised depends on the credit risk of the counterparty as at the measurement date. In this context, a simplified approach based on a default rate and individual loss allowances is applied (“lifetime expected credit loss”). Lifetime expected credit loss are the expected credit loss (“ECL”) that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

The Company considers a financial asset to be individually impaired if it is improbable that the debtor will be able to pay their credit obligation in full without measures such as the utilisation of collateral (if available) being taken.

The Company derecognises financial assets if the contractual rights relating to the cash flows from the financial asset expire or it transfers the rights to receive the cash flows as part of a transaction in which all material risks and opportunities relating to ownership of the financial assets are transferred or collectability can no longer be anticipated.

1.12 LEASE LIABILITIES

The present value of lease liabilities has been determined based on the future leasing instalments to be paid over the remaining term of the lease. A term-based, risk-free interest rate plus a margin has been used as the incremental borrowing rate for discounting.

LIBF Limited leases buildings and IT equipment (printers, copy machines etc.). The real estate lease agreements primarily relate to the premises for university operations and administrative buildings.

The IFRS real estate lease agreements for 7th and 8th Floor Peninsula House have fixed contractual terms of 5 years which commenced in August 2023. The Company recognises a right-of-use asset and a lease liability in its accounts at the start of the use transfer. The right-of-use asset is written down on a scheduled basis using the straight-line method either over the term of the lease or the useful life of the assets depending on which term is shorter. Furthermore, if indications to do so exist, loss allowances are recognised for the right-of-use asset and the lease liability is adjusted for certain remeasurements of the lease liability.

The lease liability is recognised at the present value of future leasing payments. Discounting is carried out at the interest rate underlying the lease or, if this cannot be determined, at the incremental borrowing rate that is specific to the lessee.

The leasing payments that are incorporated into the calculation of the lease liability include:

- fixed payments,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the start of the use transfer,
- the amount that is expected under a residual value guarantee, and
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised, lease payments of an extension option if it is reasonably certain that the option will be exercised and payments of penalties for the early termination of the lease if it is reasonably certain that this will be done.

Lease liabilities are measured at amortised cost using the effective interest method. They are remeasured if a change in the index or rate results in a change in the amount of leasing payments, if the estimation of the anticipated amount from the utilisation of a residual value guarantee changes or if the Company changes its assessment regarding the exercising of a purchase option, extension option or an early termination option.

Where a lease liability is remeasured in accordance with the above, the adjustment is taken to the right-of-use asset in the first instance. The Company does not recognise any right-of-use assets or lease liabilities for short-term leases (≤12 months) and leases for leased objects of low value. The Company recognises the expenses for these leases on a straight-line basis over the lease term. The Company makes use of the portfolio accounting option. Some leases have both lease components and non-lease components. The Company has exercised the option to treat these contracts as leases.

In 2023, IFRS 16 resulted in the following effects on the statement of comprehensive income.

	2023 £000s	2022 £000s
Amortisation - Right of Use Assets	486	-
Interest Expense - Leasing	115	-
Total	**602**	**-**

1.13 CASH AND CASH EQUIVALENTS

Cash and bank balances are measured at fair value. Cash flows comprise increases or decreases in cash. Cash includes cash in hand and deposits but excludes cash held as part of the investment portfolio.

1.14 PENSION PROVISIONS

The Company's defined benefit pension plan is for current and former employees in the United Kingdom and is established and operated under the regulatory framework outlined in the Finance Act 2004 and the Occupational Pension Schemes (Funding and Investment) Regulations 2004 (as amended). These regulations, among other things, set minimum funding requirements for the plan and may impose restrictions on the investment of plan assets (known as asset ceiling limitations).

The calculation of provisions for pensions is based on the project unit credit method in accordance with IAS 19. The net obligation of the Company regarding the existing defined benefit liability is calculated by discounting the estimated future benefits that the eligible past employee earned in earlier periods. The calculation of the defined benefit obligations is carried out annually by an accredited actuary using the internationally commonplace projected unit credit method. Conversely, the pension scheme assets are valued at market rate. Pension fund deficits are recognised in the balance sheet, but surpluses are not recognised as assets where they cannot be recovered either through a refund from the scheme or reductions in future benefits.

The plan exposes the Company to the risk of unexpected changes in employee demographics or investment performance, as well as potential limitations imposed by the UK regulatory framework on our ability to manage these risks.

Due to the size of the plan, there is concentration of demographic risk where three former senior managers of the Company account for approximately 10% of the plan's defined benefit liability.

As at 31 December 2023, the duration of the fund was 13 years. The contributions to the plan for the year to 31 December 2024 are expected to be nil. Approximately 40% of the Plan's members are currently in receipt of a pension and the remaining members are not yet retired. The liability weighted average age of current pensioners is approximately 72 years and the weighted average age of members not yet retired is approximately 55 years. The youngest member is expected to retire in 2047, at which point the benefits of all members will be in payment. Further details on the plan are outlined in Note 20.

1.15 FINANCIAL LIABILITIES

IFRS 9 stipulates the requirements regarding the recognition and measurement of financial liabilities and essentially contains the following categories for the classification of financial liabilities: those measured at amortised cost and those measured at fair value with changes through profit or loss.

A financial liability is measured at fair value with value changes through profit or loss if it is classified as held for trading, it is a derivative or is designated as such upon initial recognition. Other financial liabilities are measured at amortised cost using the effective interest method. The financial liabilities of LIBF Limited are initially recognised on the settlement date when the Company becomes a contractual party under the contractual terms of the financial instrument concerned.

Interest expenses of financial liabilities are recognised through profit or loss in net financial income/loss. Financial liabilities are derecognised if the contractual obligations have been settled, have been cancelled or expired. No offsetting of financial assets and financial liabilities is carried out because the required conditions have not been met. Financial assets and liabilities are only offset and disclosed as netted in the statement of financial position if the Company has a current enforceable right to offset the amounts recognised against each other and it is intended either to settle them on a net basis or to realise the asset and settle the liability simultaneously. These necessary conditions have not been met. Therefore, no offsetting of financial assets and financial liabilities has been carried out.

1.16 ACCOUNTS ESTIMATES AND JUDGMENTS

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Defined benefit scheme – management's estimate of the scheme is based on a number of critical underlying assumptions such as rates of inflation, mortality and the investment returns of the scheme. The assumptions are reviewed annually with a qualified actuary.

Useful lives of depreciable assets – management reviews its estimate of the useful lives of depreciable assets at each reporting date. Uncertainties in these estimates relate to changes in the useful lives of certain software and IT hardware as well as the useful life and value of the building that LIBF Limited owns.

Acquisition accounting – we measure acquisition costs using fair value estimates. This requires significant judgement about the future economic benefits of the acquired assets and liabilities, relying on assumptions about market participant expectations.

Goodwill – we estimate the goodwill based on the future cash flows expected from the acquired entity. This process involves significant judgements in determining the discount rate and the assumptions used in the valuation model. Goodwill is subject to impairment testing at least annually, or more frequently if there are indications of potential impairment.

2. CAPITAL MANAGEMENT

The Company manages capital to maximise shareholder value through sustainable growth and profitability. We aim to maintain a healthy capital structure, optimise return on capital, and ensure sufficient liquidity. While we face no external capital requirements, we adhere to sound financial practices to ensure long-term health and create shareholder value.

3. REVENUE

LIBF Limited revenues consists of the following:

	2023 £000s	2022 £000s
Professional Education	7,739	-
Higher Education	2,558	-
Schools	2,212	-
Overheads	(681)[3]	-
Total Revenue	**11,828**	**-**

The Higher Education segment covers undergraduate qualifications, postgraduate qualifications as well as apprenticeships. The programmes take up to four years for undergraduate students and apprenticeships and one year for postgraduate students. The Professional Education segment includes both Corporate & Professional courses, i.e. courses for Mortgage and Financial Advisers as well as Retail and Commercial Banking. Schools consists of school and college qualifications in finance topics.

4. COST OF MATERIALS

Cost of Material for the financial year 2023 primarily contains course materials such as books and training materials as well as related expenses. Cost of services primarily contains remuneration for guest lecturers.

	2023 £000s	2022 £000s
Cost of Material	1,780	-
Cost of Services	625	-
Total	**2,405**	**-**

5. PERSONNEL EXPENSES

Personnel expenses for the financial year 2023 primarily contain employee salaries. Total redundancy costs (e.g. voluntary severance packages) amounted to £590k.

	2023 £000s	2022 £000s
Salaries and Wages	5,886	-
Social Security & Pension	1,172	-
Employee Benefit Expense	0	-
Total	**7,058**	**-**

6. AMORTISATION AND DEPRECIATION

	2023 £000s	2022 £000s
Depreciation	180	-
Amortisation - Intangibles	169	-

[3] Result of step down in fair value of deferred revenues as part of LIBF Limited's acquisition of the assets of London Institute of Banking and Finance

Amortisation - Right of Use Assets	486	-
Total	**835**	**-**

7. OTHER OPERATING EXPENSES

	2023 £000s	2022 £000s
Occupancy Cost	1,092	-
Other Expenditure	440	-
Telecommunication and IT	358	-
Licences and Concessions	209	-
Advertising	1,986	-
Travel	146	-
Audit and Consulting	478	-
VAT Expense	756	-
Other Personnel Expense	1,068	-
External Services	71	-
Total	**6,604**	**-**

8. AUDITOR'S FEE

Fees for the services performed by auditors at Haysmacintyre LLP were as follows:

	2023 £000s
Auditors' Fees	50

9. RELATED PARTIES

Key management compensation for the year ended 31 December 2023 totalled £1,506k including £155k related to pension costs.

	2023 £000s	2022 £000s
Key Management Personnel Compensation	1,506	-

10. NET FINANCIAL INCOME / LOSS

	2023 £000s	2022 £000s
Interest Income	170	-
Interest Expense - Leasing	(115)	-
Realised Currency Gain / (Loss)	1	-
Unrealised Currency Gain / (Loss)	(5)	-
Total	**50**	**-**

11. GOODWILL

At 31 December 2023 Goodwill amounted to £6,272k at LIBF Limited. Goodwill is the excess of the consideration transferred over IU Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities. It comprises assets which are not separately recognised such as workforce, market share and access to new customers and markets. Management has formally assessed LIBF Limited to be a single cash-generating unit to which goodwill is allocated.

Change in Goodwill

	Goodwill £000s
Cost	
At 31 December 2022	-
Business combinations	6,272
Additions	-
Disposals	-
At 31 December 2023	**6,272**
Amortisation	
At 31 December 2022	-
Charge for the period	-
Disposals	-
At 31 December 2023	**-**
Net Book Value	
At 31 December 2023	6,272
At 31 December 2022	-

Derivation of Goodwill

31-Mar-23	£000s
Consideration transferred:	
Total consideration transferred	17,209
Derivation of book value of acquired net assets	
Book value of net assets	**2,032**
Self-developed software and licences	(43)
Book value of adjusted net assets	**1,989**
Derivation of fair value of acquired net assets	
Book value of adjusted net assets	**1,989**
Differences in book and fair value - intangible assets	**7,217**
Trademark	933
Customer relationships	1,021
Accreditation	5,263
Property	555
Difference in book and fair value - deferred revenues	**(1,175)**
Deferred revenues	(1,175)
Total difference in book value and fair value	**8,947**
Fair value of net assets before deferred taxes	**10,936**
Derivation of goodwill	
Fair value of net assets before deferred taxes	**10,936**
Deferred taxes	-
Fair value of net assets after deferred taxes	**10,936**
Acquired net assets at fair value	10,936

Consideration transferred	17,209
Goodwill	**6,272**

12. OTHER INTANGIBLE ASSETS

	Software, Trademarks, Customers & Accreditations £000s	Self-generated Commercial Property Rights £000s	Total £000s
Cost			
At 31 December 2022	-	-	-
Business combinations	7,339	401	7,740
Additions	-	-	-
Disposals	-	-	-
At 31 December 2023	**7,339**	**401**	**7,740**
Amortisation			
At 31 December 2022	-	-	-
Charge for the period	254	37	291
Disposals	-	-	-
At 31 December 2023	**254**	**37**	**291**
Net Book Value			
At 31 December 2023	7,085	363	**7,448**
At 31 December 2022	-	-	-

13. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment consists of the Company's offices and campus as well as operating and office equipment (including right-of-use buildings and leased IT equipment). The total value of PP&E for the year ended 31 December 2023 was £4,934k.

	Freehold Property £000s	Leasehold Improvements £000s	Computer Installation, Furniture & Equipment £000s	Right of Use Assets – Buildings £000s	Right of Use Assets – Other £000s	Total £000s
Cost						
At 31 December 2022	-	-	-	-	-	-
Business Combinations	2,349	1,565	1,883	3,061	53	8,911
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2023	**2,349**	**1,565**	**1,883**	**3,061**	**53**	**8,911**
Depreciation						
At 31 December 2022	-	-	-	-	-	-
Charge for the period	258	1,539	1,694	478	8	3,977
Disposals	-	-	-	-	-	-
At 31 December 2023	**258**	**1,539**	**1,694**	**478**	**8**	**3,977**
Net Book Value						
At 31 December 2023	2,091	27	189	2,582	45	**4,934**
At 31 December 2022	-	-	-	-	-	-

14. OTHER NON-CURRENT ASSETS

	2023 £000s	2022 £000s
Investment in Controlled Entities	1,859	-
Intercompany Receivable/(Payable)	719	-
Total	**2,578**	**-**

Other non-current assets include The London Institute of Banking & Finance (MENA) Ltd and The London Institute of Banking & Finance (APAC) PTE Ltd and related intercompany receivables.

15. INVENTORIES

Inventory totalled £25k at year-end 31 December 2023. Inventories primarily consist of course materials (e.g. books). There were no impairments related to inventory during the period.

	2023 £000s	2022 £000s
Inventory	25	-

16. TRADE RECEIVABLES

	2023 £000s	2022 £000s
Accounts Receivable - Trade	4,274	-

17. OTHER RECEIVABLES

	2023 £000s	2022 £000s
Deposit Money	573	-
Other Financial Receivables - Current	514	-
Prepaid Expense	294	-
Total	**1,382**	**-**

18. CASH AND CASH EQUIVALENTS

The Company's cash balance amounts to £4,847k at 31 December 2023. At 31 December 2022, the Company had a cash balance of nil.

	2023 £000s	2022 £000s
Cash & Cash Equivalents	4,847	-

19. EQUITY

In March 2023, IU Group N.V. entered into a definitive agreement to acquire the assets of LIBF and its subsidiaries by means of an asset deal. As the equity in the Company prior to 2023 was nil, the change in equity £31.1m. The opening and closing share capital balance for the year ended 31 December 2023, as well as a summary of the allotment of shares, is outlined below.

	2023 £	2022 £
Share Capital	31,110,545	100

Allotment of shares

	Number of shares £	Issue price per ordinary share £	Total amount Paid £
Allotment of shares (14 September 2021)	100	1.00	100
Allotment of shares (31 March 2023)	2,000,000	1.00	2,000,000
Allotment of shares (31 March 2023)	24,110,445	1.00	24,110,445
Allotment of shares (13 July 2023)	2,000,000	1.00	2,000,000
Allotment of shares (4 December 2023)	3,000,000	1.00	3,000,000
Share capital (31 December 2023)	**31,110,545**		**31,110,545**

20. PENSION PROVISION

The actuary has calculated the pension disclosures for the period from 1 April 2023 to 31 December 2023 based on the asset and cashflow information provided by XPS Administration, asset information from the Fund's investment manager, information setting out the opening position for the Fund as at 1 April 2023 and information provided to us by the Scheme Actuary of the Fund used for the formal valuation of the Fund as at 31 December 2022 (the "2022 valuation"). The actuary has not carried out any further data validation checks and have therefore relied upon the financial information provided to them and the Scheme Actuary's assessment of the membership data as at 31 December 2022.

Major assumptions are as follows:	31/12/2023 £000s
Discount rate	4.59%
Price inflation (CPI)	2.65%
Pension increases pre 2006 excess over GMP	2.62%
Pension increases post 2006 pension	1.91%
Assumed life expectancies on retirement at age 60 are:	
Retiring today - Males	26.5
Retiring today - Females	28.9
Retiring in 20 years' time - Males	28.0
Retiring in 20 years' time - Females	30.4
Value of assets in the scheme:	
Investment fund	7,424
Match fund	29,013
Fair value of Fund assets	**36,437**
Return on assets over the period:	**(496)**
Present value of funded obligations	30,543
Fair value of Fund assets	36,437

Net liability in balance sheet	**5,894**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	31/12/2023 £000s
Benefit obligation - beginning of period	**30,397**
Interest cost	1,060
Net remeasurement (gains) / losses – financial	141
Net remeasurement (gains) / losses – experience	129
Benefits paid	(1,184)
Benefit obligation - end of period	**30,543**

Reconciliation of opening and closing balances of the fair value of Fund assets	31/12/2023 £000s
Fair value of Fund assets - beginning of period	**32,067**
Interest income on Fund assets	1,334
Return on assets, excluding interest income	(1,830)
Contributions by Fund participants	6,050
Benefits paid	-
Fund administrative cost	(1,184)
Business combinations	-
Settlements	-
Exchange rate	-
Fair value of Fund assets - end of period	**36,437**

Reconciliation of the effect of the asset ceiling	31/12/2023 £000s
Effect of the asset ceiling - beginning of year	1,670
Interest income on asset ceiling	274
Changes in the effect of the asset ceiling excluding interest income	3,950
Effect of the asset ceiling - end of the year	**5,894**

Amounts recognised in profit and loss:	31/12/2023 £000s
Service cost – inc. current and past service costs, and settlements	-
Service cost – administrative cost	-
Net interest on the net defined benefit liability	-
Total expense	**-**

Remeasurements of the net defined benefit liability (asset) to be shown in OCI:	31/12/2023 £000s
Net remeasurement – financial	141
Net remeasurement – demographic	-
Net remeasurement – experience	129
Return on assets, excluding interest income	1,830
Changes in the effect of the asset ceiling excluding interest income	3,950
Total remeasurement of the net defined benefit liability (asset) shown in OCI	**6,050**[4]

Sensitivity analysis[5]	**Impact on Fund liabilities** 31/12/2023 £000s

[4] An additional £50k was paid by the London Institute of Banking & Finance prior to April 2023, therefore the total OCI amounted to £6,100k (see balance sheet).

[5] Please note that extrapolation of the sensitivity analysis beyond the ranges shown may not be appropriate.

Discount rate – increase by 0.25%	(928)
Rate of inflation (CPI) – increase by 0.25%	739
Assumed Life expectancy at age 60 – increase 1 year	1,053

21. OTHER CURRENT LIABILITIES

	2023 £000s	2022 £000s
Total Other Current Liabilities	**2,033**	**-**

Accounts Payable with trade partners amount to £617k. Accruals include accrued wages and salaries (£77k), accruals for other expiring invoices (£56k), and other accruals (£822k).

22. LEASE LIABILITIES

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £000s	2022 £000s
Right of Use Liabilities – Noncurrent	2,531	-
Right of Use Liabilities – Current	439	-
Total	**2,970**	**-**
Amounts Recognised In Profit and Loss		
Interest on IFRS Lease Liabilities	115	-

Lease liabilities are related to the real estate and IT for the property located on 7th & 8th Floor, Peninsular House, Monument Street, London, England EC3R 8LJ.

23. DEFERRED REVENUE

	2023 £000s	2022 £000s
Deferred Revenue – Noncurrent	1,330	-
Deferred Revenue – Current	5,176	-
Total	**6,506**	**-**

24. EMPLOYEES

At financial year-end 2023, LIBF Limited had 169 employees, 28 of which worked in an academic capacity.

	2023
Average academic staff	28
Average non-academic staff	141
Total	**169**