

Registration number: 02563879

QS QUACQUARELLI SYMONDS LIMITED

(formerly QS QUACQUARELLISYMONDS LIMITED)

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2022

Johnson Smith & Co Ltd
Chartered Accountants and Statutory Auditors
Centurion House
London Road
Staines-Upon-Thames
Surrey
TW18 4AX

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QS QUACQUARELLI SYMONDS LIMITED
(formerly QS QUACQUARELLISYMONDS LIMITED)
(Registered number: 02563879)

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QS QUACQUARELLI SYMONDS LIMITED
(formerly QS QUACQUARELLISYMONDS LIMITED)
(Registered number: 02563879)

Company Information

Directors	N Quacquarelli B D Sowter Y Muto J Turner
Secretary	M Wait
Registered Number	02563879 (England and Wales)
Senior Statutory Auditor	Maurice Brooks
Registered office	1 Tranley Mews Fleet Road Hampstead London NW3 2DG
Auditors	Johnson Smith & Co Ltd Chartered Accountants and Statutory Auditors Centurion House London Road Staines-Upon-Thames Surrey TW18 4AX
Bankers	HSBC Bank Plc 176 Camden High Street London NW1 8QL

QS QUACQUARELLI SYMONDS LIMITED
(formerly QS QUACQUARELLISYMONDS LIMITED)
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Group Strategic Report
for the Year Ended 31 December 2022

The directors have pleasure in presenting the report and the financial statements of the group for the year ended 31 December 2022.

Review of business

The principal activity of the company and its subsidiary undertakings is as a global provider of international higher education student recruitment and performance insight solutions. The business is headquartered in the United Kingdom, with satellite offices across the world.

Results and performance

The results of the Group for the year, as set out on pages 13 and 14, show a growth in revenue across all parts of the Group. Overall turnover increased almost 22% year on year, and gross profits increased by almost 17.6%. Profit on ordinary activities before tax increased 11% to £4.7m (2021: £4.2m), despite investment in the recently acquired StudentApply business. Shareholders' funds were £21.9m (2021: £18.6m).

Key performance indicators ('KPIs')

We have made significant progress throughout the year in relation to key elements of our strategy, which is setting us up for future success. The Board monitors the progress of the company by reference to the following KPIs:

	2022	2021
Turnover	£42.7m	£35.0m
Return on capital employed	21.5%	22.7%
Earnings before interest and tax	£4.6m	£4.2m
Earnings before interest expense, tax, depreciation and amortisation (EBITDA)	£7.15m	£6.05m

Events:

The Digital & Events business area was impacted by the Covid-19 pandemic in Spring 2022, as we were not able to return to physical fairs in all markets, and some virtual fairs at lower price points took their place, but for Fall 2022 a fuller physical event itinerary was in operation, leading to increased revenue and increased cost of sale.

Enrolment and Intelligence:

QS Enrolment Solutions continued to increase revenues and profits due to the impact of recent contract wins along with high enrolment levels from our focus on students most likely to enrol and the return to campus teaching as institutions re-opened following Covid-19 restrictions easing.

The QS Institutional Performance business area has continued its year on year growth with strong performances in Reporting, Evaluation, and Consulting and renewed growth in Conferences.

The technology business, QS Unisolution, made further progress in 2022 with new product enhancements keeping customer satisfaction and renewal levels high.

The acquisition of StudentApply Ltd, a group of companies registered in Hong Kong, in November 2021 brought additional student enrolment service capabilities to the QS Group. QS pursued its investment plan for this product area and has set the business on a growth trajectory.

Group operating profit levels have been strong due to operational optimization being implemented and efficiency improvements being found.

During 2022 Jessica Turner was promoted to the role of CEO and Nunzio Quacquarelli became President and Chair of the Board. Alisha Bartl was appointed Chief People Officer based in our Melbourne office, and Daniel Cunningham was appointed Managing Director of QS StudentApply.

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Group Strategic Report
for the Year Ended 31 December 2022

Charitable Donations

During the year QS Quacquarelli Symonds Limited continued to provide charitable support through volunteering and donations in kind and in cash to QS ImpACT (formerly QS World Merit). The donations totalled £98,142 (2021: £88,820). We also provided matching donations for certain staff led fundraising.

Principal risks and uncertainties

The Group focuses on providing quality services to universities, business schools and other Higher Education (HE) stakeholders. The Group faces competitive pressure from a variety of organisations across different business units. The Group manages this risk by offering a diverse set of services, with strong synergies, across six main areas: Insight, Reputation, Events, Digital, Enrolment Solutions, and SaaS based technology solutions.

The Group manages complex product programmes with demanding requirements across a wide customer base. This requires co-ordination of all the functions available within the organisation, the external supply chain and other partners. Failure to achieve programme goals would have significant financial and reputational implications for the Group. These implications include the risk of impairment of the carrying value of the Group's intangible assets. The Group seeks continuous improvement of all its processes and employs project management controls to ensure that both technical and business objectives are achieved. All major programmes are subject to Board approval and are reviewed regularly by the Board with a particular focus on emerging risks and the effective mitigation of previously identified threats.

The principal risks and uncertainties, including financial risks, facing the Group are set out below:

Global Pandemic Risk

The COVID-19 global pandemic risk reduced in 2022 as measures taken by various governments to contain the virus eased. We have adapted our products to best meet the needs of our customers as the situation evolved.

Industry and market risk

Changes in governmental grants and other funding to Universities may influence the Group's revenue and therefore future performance would be affected. The Board undertakes periodic reviews to identify similar underlying changes in the market to mitigate such risks.

The easing of travel restrictions has meant the international student recruitment market remained strong in terms of candidate demand as on campus teaching resumed in the major international student destination countries.

Credit risk

The credit control department of the Group ensures that appropriate assessments are made of potential customers prior to any sales being made or any service contract being signed. Management regularly reviews outstanding receivables and debtors recovery plans.

Cash flow/ liquidity risk

The Group has sufficient funds to cover its cash outflows for a significant time. The Group has been investing heavily in technology which is absorbing a proportion of our free cash flow. The Group has significant cash reserves and no debt.

Price risk

Future revenues remain sensitive to any changes in consultancy charges, events attendance charges and advertising rates. The Group performs periodical market reviews and pricing structure reviews to ensure that all charges and rates are competitive.

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Group Strategic Report
for the Year Ended 31 December 2022

Foreign Exchange risk

The Group has risk from the movement of currency markets, as the majority of business is invoiced in either US dollars or Euros, whilst the majority of the cost base is incurred in GBP Sterling. In 2022 the movements in foreign currency markets impacted positively on the company's financial results. The hedging strategy introduced to reduce the exposure of the business to sudden currency movements has been maintained through 2022.

Business environment

The Group offers differentiated products and services in the higher education field and is building on market leading positions in several segments to grow profitability for the long term. The impact of technology is significant in delivering solutions to the higher education sector and this has been a key focus for investment in recent years and will continue.

Strategy

The Group's success is dependent on providing its unique insight to benefit its customers across institutional performance and enrolment services, with the delivery of a high quality service for existing products, combined with organic growth fuelled by innovative new services. The Group continues to invest in existing service delivery and in the development of complimentary new services to meet the needs of higher education clients around the world. Acquisitions, joint ventures, and partnerships are also being considered to support growth in relevant fields.

QS QUACQUARELLI SYMONDS LIMITED SECTION 172(1) statement of compliance

Section 172(1) of the Companies Act 2006 states that a director of a company must act in the way they considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term
- b. The interests of the company's employees
- c. The need to foster the company's business relationships with suppliers, customers and others
- d. The impact of the company's operations on the community and the environment
- e. The desirability of the company maintaining a reputation for high standards of business conduct, and
- f. The need to act fairly as between members of the company.

This statement details how the Group complies with Section 172(1) - how we engage with, and have due regard for the interests of our key stakeholders.

The mission of the Group is to enable motivated people anywhere in the world to fulfil their potential through educational achievement, international mobility, and career development.

For the Group to achieve this, we have to make sufficient profit from our trading operations to reward our staff, sustain our commercial vitality, and finance future product development. These principles are the core fundamentals that underpin the Group's strategic direction. In setting the strategic direction of the Group, Directors also take into account the principal risks facing the business.

Decision-making at the Board: All matters which under the Group's governance arrangements are reserved for decision by the Directors are presented at Board meetings. Directors are briefed on any potential impacts and risks for our customers, staff, and other stakeholders including our suppliers, the community and environment and how they are to be managed. The Directors take these factors into account before making a final decision which together they believe is in the best interests of the Group and its stakeholders.

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Group Strategic Report
for the Year Ended 31 December 2022

Stakeholders: Our key stakeholders are:

- Our people, as the development and delivery of products which meet the needs of our customers sits with them.
- Higher education institutions and institutional leadership globally, including our customers, as we look to provide insight on performance, support their objectives and build long term relationships that enable us to deliver on our mission.
- The end users of our services, the students and potential students, whose views we seek to tailor our offerings and insight to give them the best information to make their further education choices.
- Employers, who look to understand which institutions are providing the appropriate skill sets for future employees.
- Our investors and shareholders, whose support is vital to provide the scrutiny of the decisions made by the leadership team to ensure the business remains in sound financial health.
- Our suppliers, whose products and services we use to provide a quality experience to our customers.
- Our community, as we look to deliver our mission and give more motivated people around the world the opportunity to develop through higher education.

How we engage and foster strong relationships with some of our key stakeholders:

Staff - Officevibe surveys, Monthly Highlights Calls, Global Wellness Team, an active Diversity & Inclusion team, LinkedIn Learning provision, Paycor Recognition Centre, QS Applaud awards, Connect with your Career events.

Higher education institutions and institutional leadership, including our customers - Insight led thought leadership, Rankings, Higher Education Conferences and Publications, Surveys and User groups.

Students - Interaction on TopUniversities, TopMBA, and QS China websites, International Student survey, Production of Rankings, Recruitment Events, Enrolment enquiry management.

Employers – Employer surveys, publication of institutional Rankings.

Investors and shareholders - Monthly Board reporting, Annual statutory accounts, Quarterly shareholder reporting.

Suppliers - Strategic partnerships, Repeat bookings, Timely payments.

Community - Company funded time for staff to spend on charity initiatives, support for QS ImpACT (formerly QS World Merit), and scholarship funding distributed by QS ImpACT (formerly QS World Merit).

Long-term sustainability

We aim to make sufficient profit to sustain the Group's commercial vitality and to enable longer term investment in our products to be made. This is balanced against the needs of our customers, staff and other stakeholders and the community to ensure we are conducting all our business relationships with integrity. The long-term sustainability of the Group is at the forefront of decision-making, particularly following the effects on international higher education of COVID-19 travel restrictions. The Group has taken measures to prevent modern slavery and human trafficking in its business and supply chains.

Community and environment

In 2022, as part of its commitment to sustainability, QS continued to operate as a certified CarbonNeutral® Company, reflecting our efforts to reduce our impact on the environment through a range of efficiency initiatives and offsetting unavoidable emissions through a verified carbon offset forestry project in Brazil.

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Group Strategic Report
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Business Conduct

The Group aims to conduct all its business relationships with integrity and courtesy, and operates a Code of Conduct which sets out expectations of appropriate behavior. Anti bribery training is a core training module that all staff have to complete upon joining the Group, and for all sales staff to retake at regular intervals thereafter.

Acting fairly as between the Group's members

Where employment regulations and practice across the Company's global subsidiaries permit, all relevant staff are included in annual discretionary bonus schemes, to reward our people for their contribution to the success of the Group.

Future developments

At this stage, we have seen that the impact from COVID-19 on our business and results has reduced, as international travel has returned and borders have reopened.

Approved and authorised by the Board on 22/06/2023 and signed on its behalf by:


.....
N Quacquarelli – Director

QS QUACQUARELLI SYMONDS LIMITED
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Directors' Report
for the Year Ended 31 December 2022

The directors have pleasure in presenting the report and the financial statements of the group for the year ended 31 December 2022.

Directors

N Quacquarelli, B D Sowter, Y Muto and J Turner held office during the whole of the period from 1 January 2022 to the date of this report.

Trading activities

During 2022, the group made further progress with the evolution of the groups products to align to its strategic path. There was a return to more physical Events and Conferences, whilst continuing virtual and hybrid events to take advantage of the technological advancements learnt during the COVID-19 global pandemic. We continued to make improvements to the student facing website properties. Information related products have seen good growth. The Unisolution software products were brought under the management of the Institutional Performance business area to provide a more holistic offering to our customers, and Enrolment Solutions product revenues grew further with new business wins and strong enrolment numbers. The development of StudentApply Ltd, which had been acquired in November 2021, led to rapid revenue growth in this area.

Along with strong revenue growth, optimisation of costs drove a strong overall profit performance.

Charitable donations

During the year, QS Quacquarelli Symonds Limited continued to provide charitable support through volunteering and donations in kind and in cash to QS ImpACT (formerly QS World Merit). The donations totalled £98,142 (2021: £88,820). We also provided matching donations for certain staff led fundraising.

Research and development

Expenditure on research is written off in the profit and loss account of the year and development is capitalised and then amortised in the years ahead.

Dividends

Dividends of £635k were paid during the year ended 31 December 2022 (2021: £1.32m).

Events since the end of the year

In April 2023, the Group incorporated an additional subsidiary, QS QUACQUARELLI SYMONDS (NIGERIA) LTD.

Financial instruments

The group has no financial instruments apart from cash, trade debtors and trade creditors, all arising in the normal course of business. There are foreign subsidiaries of the group and such exposure is considered. In 2022 some hedging of foreign currency balances continued as earnings are spread across the US Dollar, the Euro and GBP, whilst costs are primarily in GBP. The main financial risks to which the group is exposed include liquidity risk, cash flow risk and credit risk. As stated in the strategic report, these risks are managed by ensuring sufficient liquidity is available to meet foreseeable needs.

Financial risk management and objective

The group faces the financial risk of meeting its current and non-current obligations which it mitigates efficiently and effectively managing its cash flow and credit control.

Cash flow/liquidity risk, price risk and credit risk

The group faces the financial risk of meeting its current and non-current obligations which it mitigates efficiently and effectively managing its cash flow and credit control.

Directors liabilities

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain at the date of this report.

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Directors' Report
for the Year Ended 31 December 2022

Foreign exchange effects on results

Foreign currency movements have had a positive impact on the Group's financial results in 2022 due to a stronger US Dollar and Euro, the currencies in which the majority of our revenues are billed.

Section 172(1) statement of compliance

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Group's statements on engagements with, and having regard to, the interests of employees and key stakeholders are contained within the Section 172 (1) in the Strategic Report (pages 4 to 6).

Going concern

Taking into consideration the strong cash position of the group, the changes to our product portfolio to adapt to a post COVID-19 environment, and having reviewed the initial financial scenario planning for 2023 and 2024 that has been carried out, the directors are satisfied that, at the time of approving the financial statements there is not a material uncertainty that may cast significant doubt upon the entity's ability to continue as a going concern, and so it is appropriate to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Group Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

Statement as to disclosure of information to auditors

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

QS QUACQUARELLI SYMONDS LIMITED
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Directors' Report
for the Year Ended 31 December 2022

Auditors

The auditors, Johnson Smith & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the board and signed on its behalf:


.....
N Quacquarelli Director

Date: 22/06/2023

QS QUACQUARELLI SYMONDS LIMITED
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Independent Auditor's Report to the Members of QS QUACQUARELLI SYMONDS LIMITED

Opinion

We have audited the financial statements of QS QUACQUARELLI SYMONDS LIMITED (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

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

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Independent Auditor's Report to the Members of QS QUACQUARELLI SYMONDS LIMITED

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the [set out on page 9], 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 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.

The extent to which our procedures can detect irregularities, including fraud is detailed below:

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism through the audit and we also;

- Identify and assess the risks of material misstatements of the financial statements , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

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Independent Auditor's Report to the Members of QS QUACQUARELLI SYMONDS LIMITED

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of director's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and report appropriate disclosures in the accounts or in our audit report.
- Evaluate the appropriate presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
- Evaluated the conduct of operations in relation to laws and other regulations including but not limited to, intellectual property, commercial trading, data protection, money laundering, and employment. Our evaluation took account of whether any non-compliance would have a material effect on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities is available 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.



.....
Maurice Brooks (Senior Statutory Auditor)
For and on behalf of Johnson Smith & Co Ltd
Chartered Accountants and Statutory Auditors
Centurion House
London Road
Staines-Upon-Thames
Surrey
TW18 4AX

Date: 22/06/23

QS QUACQUARELLI SYMONDS LIMITED
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Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

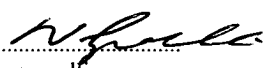
	Note	2022 £	2021 £
Turnover	3	42,724,978	35,036,259
Cost of sales		<u>(4,350,703)</u>	<u>(2,417,562)</u>
Gross profit		38,374,275	32,618,697
Administrative expenses		(33,789,609)	(28,950,699)
Other operating income	4	<u>61,605</u>	<u>498,922</u>
Operating profit	6	<u>4,646,271</u>	<u>4,166,920</u>
Income from participating interests		24,081	31,531
Other interest receivable and similar income	7	37,337	28,473
Interest payable and similar expenses	8	<u>(619)</u>	<u>(1,498)</u>
		<u>60,799</u>	<u>58,506</u>
Profit before tax		4,707,070	4,225,426
Tax on profit	12	<u>(1,133,134)</u>	<u>(791,203)</u>
Profit for the financial year		<u>3,573,936</u>	<u>3,434,223</u>
Profit/(loss) attributable to:			
Owners of the company		<u>3,573,936</u>	<u>3,434,223</u>
		2022	2021
		£	£
Profit for the year		3,573,936	3,434,223
Foreign currency translation gains/(losses)		<u>368,929</u>	<u>(259,182)</u>
Total comprehensive income for the year		<u>3,942,865</u>	<u>3,175,041</u>
Total comprehensive income attributable to:			
Owners of the company		<u>3,942,865</u>	<u>3,175,041</u>

QS QUACQUARELLI SYMONDS LIMITED
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Consolidated Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Goodwill	13	2,720,959	3,082,541
Negative goodwill	13	(2,722,772)	(3,296,080)
		<u>(1,813)</u>	<u>(213,539)</u>
Intangible assets not including goodwill	13	7,470,437	5,794,879
Tangible assets	14	604,651	732,982
Investments	15	233,246	158,786
		<u>8,308,334</u>	<u>6,686,647</u>
Current assets			
Debtors	16	23,082,192	17,409,499
Cash at bank and in hand		17,515,853	17,348,770
		<u>40,598,045</u>	<u>34,758,269</u>
Creditors: Amounts falling due within one year	18	<u>(26,770,839)</u>	<u>(22,540,207)</u>
Net current assets		<u>13,827,206</u>	<u>12,218,062</u>
Total assets less current liabilities		22,133,727	18,691,170
Provisions for liabilities	22	<u>(220,029)</u>	<u>(85,329)</u>
Net assets		<u>21,913,698</u>	<u>18,605,841</u>
Capital and reserves			
Called up share capital	19	100,066	100,066
Share premium reserve		9,513,264	9,513,264
Capital redemption reserve		10,500	10,500
Retained earnings		12,289,868	8,982,011
Equity attributable to owners of the company		<u>21,913,698</u>	<u>18,605,841</u>
Shareholders' funds		<u>21,913,698</u>	<u>18,605,841</u>

Approved and authorised by the Board on 22/06/2023 and signed on its behalf by:



 N Quacquarelli
 Director

QS QUACQUARELLI SYMONDS LIMITED
(formerly QS QUACQUARELLISYMONDS LIMITED)
(Registered number: 02563879)

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	3,546,296	2,073,704
Tangible assets	13	274,409	277,001
Investments	14	4,558,369	4,475,547
		<u>8,379,074</u>	<u>6,826,252</u>
Current assets			
Debtors	15	23,720,534	24,821,211
Cash at bank and in hand		8,397,289	6,404,884
		<u>32,117,823</u>	<u>31,226,095</u>
Creditors: Amounts falling due within one year	17	<u>(20,871,176)</u>	<u>(19,558,634)</u>
Net current assets		<u>11,246,647</u>	<u>11,667,461</u>
Total assets less current liabilities		19,625,721	18,493,713
Provisions for liabilities	18	<u>(44,130)</u>	<u>(42,864)</u>
Net assets		<u>19,581,591</u>	<u>18,450,849</u>
Capital and reserves			
Called up share capital		100,066	100,066
Share premium reserve		9,513,264	9,513,264
Capital redemption reserve		10,500	10,500
Retained earnings		9,957,761	8,827,019
Shareholders' funds		<u>19,581,591</u>	<u>18,450,849</u>

The company made a profit after tax for the financial year of £1,765,750 (2021: £751,645).

Approved and authorised by the Board on 22/06/2023 and signed on its behalf by:

.....
N Quacquarelli
Director

QS QUACQUARELLI SYMONDS LIMITED
(formerly QS QUACQUARELLISYMONDS LIMITED)
(Registered number: 02563879)

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022
Equity attributable to the parent company

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £
At 1 January 2022	100,066	9,513,264	10,500	8,982,011
Profit for the year	-	-	-	3,573,936
Other comprehensive income	-	-	-	368,929
Total comprehensive income	-	-	-	3,942,865
Dividends	-	-	-	(635,008)
At 31 December 2022	100,066	9,513,264	10,500	12,289,868
			Total £	Total equity £
At 1 January 2022			18,605,841	18,605,841
Profit for the year			3,573,936	3,573,936
Other comprehensive income			368,929	368,929
Total comprehensive income			3,942,865	3,942,865
Dividends			(635,008)	(635,008)
At 31 December 2022			21,913,698	21,913,698
		Share	Capital	Retained
	Share capital £	premium £	redemption reserve £	earnings £
At 1 January 2021	100,066	9,513,264	10,500	7,129,733
Profit for the year	-	-	-	3,434,223
Other comprehensive income	-	-	-	(259,182)
Total comprehensive income	-	-	-	3,175,041
Dividends	-	-	-	(1,322,763)
At 31 December 2021	100,066	9,513,264	10,500	8,982,011
			Total £	Total equity £
At 1 January 2021			16,753,563	16,753,563
Profit for the year			3,434,223	3,434,223
Other comprehensive income			(259,182)	(259,182)
Total comprehensive income			3,175,041	3,175,041
Dividends			(1,322,763)	(1,322,763)
At 31 December 2021			18,605,841	18,605,841

The notes on pages 19 to 40 form an integral part of these financial statements.

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Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £
At 1 January 2022	100,066	9,513,264	10,500	8,827,019
Profit for the year	-	-	-	1,765,750
Dividends	-	-	-	(635,008)
At 31 December 2022	100,066	9,513,264	10,500	9,957,761
				Total £
At 1 January 2022				18,450,849
Profit for the year				1,765,750
Dividends				(635,008)
At 31 December 2022				19,581,591
				Total £
At 1 January 2021	100,066	9,513,264	10,500	9,398,137
Profit for the year	-	-	-	751,645
Dividends	-	-	-	(1,322,763)
At 31 December 2021	100,066	9,513,264	10,500	8,827,019
				Total £
At 1 January 2021				19,021,967
Profit for the year				751,645
Dividends				(1,322,763)
At 31 December 2021				18,450,849

QS QUACQUARELLI SYMONDS LIMITED
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Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		3,573,936	3,434,223
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	2,443,984	1,664,097
Loss/(profit) on disposal of tangible assets	5	4,619	-
Loss on disposal of intangible assets	5	-	86,395
Finance income	7	(37,337)	(60,004)
Finance costs	8	619	1,498
Income tax expense	12	1,133,134	791,203
		<u>7,118,955</u>	<u>5,917,412</u>
Working capital adjustments			
(Increase)/decrease in trade debtors	16	(5,295,918)	(5,241,443)
Increase/(decrease) in trade creditors	18	4,299,392	4,157,116
Cash generated from operations		6,122,429	4,833,085
Income taxes paid	12	(1,090,525)	(933,272)
Net cash flow from operating activities		<u>5,031,904</u>	<u>3,899,813</u>
Cash flows from investing activities			
Interest received		37,337	28,473
Acquisitions of tangible assets		(220,363)	(307,443)
Acquisition of intangible assets	13	(3,987,427)	(5,330,909)
Proceeds from sale of intangible assets		-	-
Acquisition of investments in joint ventures and associates	15	(59,841)	(119,202)
Proceeds from disposal of investments in joint ventures and associates		1,100	53,691
Net cash flows from investing activities		<u>(4,229,194)</u>	<u>(5,675,390)</u>
Cash flows from financing activities			
Interest paid	8	(619)	(1,498)
Dividends paid		(635,008)	(1,322,763)
Net cash flows from financing activities		<u>(635,627)</u>	<u>(1,324,261)</u>
Net decrease in cash and cash equivalents		167,083	(3,099,838)
Cash and cash equivalents at 1 January		17,348,770	20,448,608
Cash and cash equivalents at 31 December		<u>17,515,853</u>	<u>17,348,770</u>

The notes on pages 19 to 40 form an integral part of these financial statements.

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1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

1 Tranley Mews
Fleet Road
Hampstead
London
NW3 2DG

These financial statements were authorised for issue by the Board on

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The consolidated financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2022. There were no material departures from the standard.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are presented in Sterling (£) which is the functional currency of the company. The amounts in financial statements are rounded up to the nearest pound.

The parent company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 33 Related Party Disclosures paragraph 33.7.
- the requirement of Section 11 Financial Instruments Disclosures paragraph 11.41.
- the requirement of Section 7 Statement of Cash Flows.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and

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contingent liabilities recognised is recorded as goodwill. Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The financial statements have been prepared assuming the group will continue as a going concern. Under the going concern assumption, a group is ordinarily viewed as continuing in business for the foreseeable future with neither the necessity of liquidity, nor ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management takes into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements. Management have a reasonable expectation that the group has adequate resources to continue in its operational exercises for the foreseeable future and has adopted the going concern basis of accounting in preparing the financial statements.

Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following considerations are also taken into account before revenue is recognised:

Sale of services

Revenue from guides is recognised when they are published and refunds are debited to revenue. Advertising revenue is recognised evenly over the period of the campaign. Revenue from on line material is recognised over the period the service is provided. Premium resource revenue is recognised depending on the services provided. One off sales are recognised immediately, while subscription revenue is recognised evenly over the period. Events revenue is recognised when such event has taken place. Amounts received in advance are deferred until the period in which the obligation of service has been met. The group recognises revenue when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deferred income

Deferred income represents revenue billed for which the income will be recognised in a future period when the services are delivered.

Government grants

Grants are accounted for under the accrual model and classified either as a grant relating to revenue (revenue-based grant) or a grant relating to assets (capital-based grants). Grants which relate to revenue are recognised in income in the period the related costs are incurred by the entity for which the grant is intended to compensate. For grants which are received by the entity for compensation for expenses or losses which have already been incurred, the grant is recognised in income when it is received or receivable provided that the terms of the grant do not impose future performance-related conditions. Any grants that are received before the revenue recognition criteria are met are recognised in the entity's financial statements as a liability. Government grants in relation to tangible fixed assets are credited to profit and loss account over the useful lives of the related assets, whereas those in relation to expenditure are credited when the expenditure is charged to profit and loss.

Tax

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

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The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Provisions

A provision is recognised where the group has a legal or constructive obligation as a result of past event and it is possible that an outflow of economic benefit would be required to settle the obligation.

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when

(i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or

(ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Foreign currencies

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction or average rates if the exchange rates do not fluctuate significantly. All resulting exchange differences are recognised in other comprehensive income.

Company

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Hire purchase, operating lease and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase

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contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the period of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Distributions to equity holders

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

Critical accounting judgements and estimation uncertainty

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

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future in respect of the below listed aspects. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk and could cause material adjustment to the carrying amounts of assets and liabilities are addressed within the year:

- Determination of useful life of non current assets
- Revenue recognition
- Receivables
- Deferred income
- Investment in Joint Ventures

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Employee benefits

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

Short term benefits

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

Interest income

Interest income is recognised using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

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Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Negative goodwill

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Useful economic life

The assets' useful economic life is reviewed and adjusted if appropriate, at each balance sheet date. If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Domain name and licences	- Straight line basis over 5 - 10 years
Trade Marks	- Straight line basis over 5 - 10 years
Software Development	- Straight line basis over 2 - 10 years

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Useful economic life

The assets' useful economic life is reviewed and adjusted if appropriate, at each balance sheet date. If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

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Subsequent additions and major components:

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Derecognition:

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in other operating (losses)/gains.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Property, plant and equipment

Property, furniture and equipment, and computer equipment are stated at cost less accumulated depreciation and reviewed annually for impairment. At the balance sheet date property, furniture and equipment, and computer equipment are reviewed and items which are scrapped during the year are derecognised.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold Improvements	- 25% on straight line
Furniture, Fittings & Equipment	- 25% on straight line
Computer Equipment	- 25% on straight line
Website Development	- 25% to 33.3% on straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Acquisitions

The company accounts for acquisitions in accordance with FRS 102 which requires the acquiree's identifiable assets, liabilities and contingent liabilities to be recognised at fair value at acquisition date. In assessing fair value at acquisition date, management make their best estimate of the likely outcome where the fair value of an asset or liability may be contingent on a future event. In certain instances, the underlying transaction giving rise to an estimate may not be resolved until some years after the acquisition date.

Joint ventures

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity. An investment in Joint Venture is initially recognised at transaction cost and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the joint controlled entity in the consolidation statements after taking into account any impairment of its investments in jointly controlled entities by the equity method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Deferred income

Deferred income represents revenue billed for which the income will be recognised in a future period when the services are delivered.

Short-term debtors and creditors

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

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Research and development

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

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Derivative financial instruments

Derivative financial instruments are recognised at fair value using a fair valuation technique with any gain or losses being reported in the income statement. Outstanding derivatives at the reporting date are included under the appropriately depending on the respective nature of the derivative.

Individual statement of comprehensive income

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

3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of services	<u>42,724,978</u>	<u>35,036,259</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022 £	2021 £
Other operating income and government grants	<u>61,605</u>	<u>498,922</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2022 £	2021 £
(Loss)/gain on disposal of tangible assets	(4,619)	145
Loss on disposal of intangible assets	-	(86,540)
	<u>(4,619)</u>	<u>(86,395)</u>

6 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	343,840	324,862
Amortisation expense	2,100,144	1,498,643
Loss/(profit) on disposal of property, plant and equipment	<u>4,619</u>	<u>(145)</u>

7 Other interest receivable and similar income

	2022 £	2021 £
Other finance income	<u>37,337</u>	<u>28,473</u>

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8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on obligations under finance leases and hire purchase contracts	-	213
Interest expense on other finance liabilities	619	1,285
	<u>619</u>	<u>1,498</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£	£
Wages and salaries	18,619,472	16,581,145
Social security costs	1,799,718	1,664,403
Staff pension contributions	968,779	614,730
Directors pension contributions	12,754	12,258
	<u>21,400,723</u>	<u>18,872,536</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

Group

	2022	2021
	No.	No.
Directors	3	3
Management, IT and administrative staff	232	137
Research, sales & marketing, operations	427	418
Finance and human resources	54	53
	<u>716</u>	<u>611</u>

Average number of UK employees are as follows:

Company

	2022	2021
	No.	No.
Directors	3	3
Management, IT and administrative staff	11	16
Research, sales & marketing, operations	119	118
Finance and human resources	11	13
	<u>144</u>	<u>150</u>

10 The directors' remuneration for the year was as follows:

Group

	2022	2021
	£	£
Remuneration	<u>789,123</u>	<u>726,822</u>

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Company	2022	2021
	£	£
	<u>753,431</u>	<u>620,167</u>
Group		
In respect of the highest paid director:		
	2022	2022
	£	£
Remuneration	<u>343,708</u>	<u>270,228</u>
Company		
In respect of the highest paid director:		
	2022	2022
	£	£
Remuneration	<u>343,708</u>	<u>270,228</u>
11 Group auditors' remuneration		
	2022	2021
	£	£
Fees payable to Group auditors for audit of financial statements	10,500	10,500
Fees payable to Group auditors for audit of the parent company's financial statements	11,500	11,500
Accountancy fees	12,500	12,500
Other services	3,450	3,450
Total remuneration to the Group auditors	<u>37,950</u>	<u>37,950</u>
12 Taxation		
Tax charged/(credited) in the consolidated profit and loss account		
	2022	2021
	£	£
Current taxation		
UK corporation tax	356,308	228,997
Foreign tax	800,157	373,922
Total current income tax	1,156,465	602,919
Deferred taxation		
Deferred tax	(23,331)	188,284
Tax expense in the income statement	<u>1,133,134</u>	<u>791,203</u>

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The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>4,707,070</u>	<u>4,225,426</u>
Corporation tax at standard rate	898,222	802,831
Effect of expense not deductible in determining taxable profit (tax loss)	61,410	239,272
Effect of foreign tax rates	278,469	6,338
Tax increase from effect of capital allowances and depreciation	265,396	6,265
Tax (decrease)/increase from other short-term timing differences	(23,331)	188,284
Tax decrease from effect of adjustment in research and development tax credit	(158,809)	(249,777)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(188,223)</u>	<u>(202,010)</u>
Total tax charge	<u>1,133,134</u>	<u>791,203</u>

13 Intangible assets

Group

	Goodwill £	Patents and licences £	Software development costs £	Trade Marks £
Cost or valuation				
At 1 January 2022	(2,013,262)	450,321	14,855,512	2,865,000
Adjustments	(34,370)	-	-	-
Additions	-	-	4,021,797	-
Disposals	-	-	(3,070,623)	-
At 31 December 2022	<u>(2,047,632)</u>	<u>450,321</u>	<u>15,806,686</u>	<u>2,865,000</u>
Amortisation				
At 1 January 2022	(1,799,723)	315,873	9,195,080	2,865,000
Amortisation charge	(246,096)	25,829	2,320,411	-
Amortisation eliminated on disposals	-	-	(3,070,623)	-
At 31 December 2022	<u>(2,045,819)</u>	<u>341,702</u>	<u>8,444,868</u>	<u>2,865,000</u>
Carrying amount				
At 31 December 2022	<u>(1,813)</u>	<u>108,619</u>	<u>7,361,818</u>	<u>-</u>
At 31 December 2021	<u>(213,539)</u>	<u>134,447</u>	<u>5,660,432</u>	<u>-</u>

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	Total £
Cost or valuation	
At 1 January 2022	16,157,571
Additions	4,021,797
Disposals	(3,070,623)
Adjustments	(34,370)
At 31 December 2022	17,074,375
Amortisation	
At 1 January 2022	10,576,230
Amortisation charge	2,100,144
Amortisation eliminated on disposals	(3,070,623)
At 31 December 2022	9,605,751
Carrying amount	
At 31 December 2022	7,468,624
At 31 December 2021	5,581,340
2022	
£	
Negative goodwill	
At 31 December 2022	(2,722,772)
At 31 December 2021	(3,296,080)

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Company

	Patents and licences £	Software development costs £	Trade Marks £	Total £
Cost or valuation				
At 1 January 2022	86,286	5,601,207	2,865,000	8,552,493
Additions	-	2,486,850	-	2,486,850
Disposals	-	(3,070,623)	-	(3,070,623)
At 31 December 2022	<u>86,286</u>	<u>5,017,434</u>	<u>2,865,000</u>	<u>7,968,720</u>
Amortisation				
At 1 January 2022	78,558	3,535,231	2,865,000	6,478,789
Amortisation charge	7,728	1,006,530	-	1,014,258
Amortisation eliminated on disposals	-	(3,070,623)	-	(3,070,623)
At 31 December 2022	<u>86,286</u>	<u>1,471,138</u>	<u>2,865,000</u>	<u>4,422,424</u>
Carrying amount				
At 31 December 2022	<u>-</u>	<u>3,546,296</u>	<u>-</u>	<u>3,546,296</u>

14 Tangible assets

Group

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	912,286	305,656	2,392,935	3,610,877
Additions	42,732	27,289	150,342	220,363
Disposals	(213,097)	(8,877)	(119,089)	(341,063)
At 31 December 2022	<u>741,921</u>	<u>324,068</u>	<u>2,424,188</u>	<u>3,490,177</u>
Depreciation				
At 1 January 2022	529,779	225,603	2,122,512	2,877,894
Charge for the year	152,544	23,367	167,928	343,839
Eliminated on disposal	(208,409)	(8,876)	(118,922)	(336,207)
At 31 December 2022	<u>473,914</u>	<u>240,094</u>	<u>2,171,518</u>	<u>2,885,526</u>
Carrying amount				
At 31 December 2022	<u>268,007</u>	<u>83,974</u>	<u>252,670</u>	<u>604,651</u>
At 31 December 2021	<u>382,507</u>	<u>80,054</u>	<u>270,421</u>	<u>732,982</u>

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Company

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2022	209,988	52,583	253,016	515,587
Additions	40,855	9,973	46,556	97,384
At 31 December 2022	250,843	62,556	299,572	612,971
Depreciation				
At 1 January 2022	58,229	50,300	130,057	238,586
Charge for the year	35,668	4,387	59,921	99,976
At 31 December 2022	93,897	54,687	189,978	338,562
Carrying amount				
At 31 December 2022	156,946	7,869	109,594	274,409

15 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
QS Unisolution Limited	1 Tranley Mews, Fleet Road, London, NW3 2DG. UK	Ordinary	100%	100%
QS Unisolution GmbH	Wankelstrasse 14, 70563 Stuttgart, Germany.	Ordinary	100%	100%
QS France Sarl	Spaces Bonne Nouvelle, 17-21 rue Saint Fiacre, Paris. 75002. France	Ordinary	100%	100%
QS Asia Quacquarellisymonds Pte Limited	79 Robinson Road #07-01 Capitasky, Singapore 068897	Ordinary	100%	100%
QS Quacquarelli Symonds (USA) Limited	1675 Broadway 20th floor, New York, NY 10019. USA	Ordinary	100%	100%

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Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
QS Eastern Europe SRL	Stirbei Voda Street no 114-116, 3 Floor, Sector 1, Bucharest. Romania	Ordinary	100%	100%
QS Quacquarellisymonds India Private Limited	302 Moti Villa, Azad Road, Near Milan Subway, Vile Parle (East), Mumbai, India. 400057	Ordinary	99.99%	99.99%
QS Quacquarelli Symonds Sdn. Bhd.	Level 5, Unit 1, Block D (4), Menara TH Sentral, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia	Ordinary	100%	100%
QS Quacquarelli Symonds (Australia) Pty Ltd	Level 3, 595 Collins Street, Melbourne, VIC 3000. Australia	Ordinary	100%	100%
QS STUDENTAPPLY LTD	1 Tranley Mews, Fleet Road, London, NW3 2DG UK	Ordinary	100%	100%
STUDENTAPPLY EECA Limited	4007, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.	Ordinary	100%	100%
STUDENTAPPLY LATAM Limited	4007, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.	Ordinary	100%	100%
STUDENTAPPLY Limited	4007, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.	Ordinary	100%	100%
SA EDUCATION PARTNERS Limited	4007, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.	Ordinary	100%	100%
QS (SHANGHAI) EDUCATION TECHNOLOGY CO. Ltd	Room 333, Floor 3, Part 4, Building 1, No. 2001 Yanggao North Road, China (Shanghai) Pilot Free Trade Zone China	Ordinary	100%	100%
Joint ventures				
QS-ERA India Private Limited	132, 3rd floor, 17th cross, 11th main road, Malleshwaram West, Bangalore – 560055, Karnataka, India.	Ordinary	50%	50%

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Subsidiary undertakings

QS Unisolution Limited

The principal activity of QS Unisolution Limited is supply of software and online solutions

QS Unisolution GmbH

The principal activity of QS Unisolution GmbH is supply of software and online solutions

QS France Sarl

The principal activity of QS France Sarl is education events management.

QS Asia Quacquarellisymonds Pte Limited

The principal activity of QS Asia Quacquarellisymonds Pte Limited is education events management.

QS Quacquarelli Symonds (USA) Limited

The principal activity of QS Quacquarelli Symonds (USA) Limited is specialist higher education and careers

QS Eastern Europe SRL

The principal activity of QS Eastern Europe SRL is specialist higher education and careers

QS Quacquarellisymonds India Private Limited

The principal activity of QS Quacquarellisymonds India Private Limited is specialist higher education and careers

QS Quacquarelli Symonds Sdn. Bhd.

The principal activity of QS Quacquarelli Symonds Sdn. Bhd. is the provision of enrolment services to HE Institutions

QS Quacquarelli Symonds (Australia) Pty Ltd

The principal activity of QS Quacquarelli Symonds (Australia) Pty Ltd is the provision of enrolment services to HE Institutions

QS STUDENTAPPLY LTD

The principal activity of QS STUDENTAPPLY LTD is the provision of enrolment services to HE Institutions

STUDENTAPPLY EECA Limited

The principal activity of STUDENTAPPLY EECA Limited is the provision of enrolment services to HE Institutions

STUDENTAPPLY LATAM Limited

The principal activity of STUDENTAPPLY LATAM Limited is the provision of enrolment services to HE Institutions

STUDENTAPPLY Limited

The principal activity of STUDENTAPPLY Limited is the provision of enrolment services to HE Institutions

SA EDUCATION PARTNERS Limited

The principal activity of SA EDUCATION PARTNERS Limited is the provision of enrolment services to HE Institutions

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QS (SHANGHAI) EDUCATION TECHNOLOGY CO. Ltd

The principal activity of QS (SHANGHAI) EDUCATION TECHNOLOGY CO. Ltd is the provision of enrolment services to HE Institutions.

Joint venture undertakings

QS-ERA India Private Limited

The principal activity of QS-ERA India Private Limited is specialist higher education and careers.

Emerge Venture Partners I LLP

During the year, the company continued its limited liability partnership agreement relating to Emerge Venture Partners I LLP and made additional capital contributions of £59,841. The financial activities of Emerge Venture Partners I LLP are controlled by the partners. The partners have the rights to the net assets through their interest in the partnership. The country of incorporation and the principal place of operations is the United Kingdom.

Aggregate financial information of joint ventures and other investments

	2022	2021
	£	£
Group		
	2022	2021
	£	£
Investments in joint ventures	54,203	39,584
Other investments	179,043	119,202
	<u>233,246</u>	<u>158,786</u>
	2022	2021
	£	£
Company		
	2022	2021
	£	£
Investments in subsidiaries	4,325,123	4,325,123
Investments in joint ventures	54,203	31,222
Other investments	179,043	119,202
	<u>4,558,369</u>	<u>4,475,547</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2022		<u>4,325,123</u>
Provision		-
Carrying amount		
At 31 December 2022		<u>4,325,123</u>

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Joint ventures	£
Cost	
At 1 January 2022	31,222
Additions	24,081
Disposals	(1,100)
At 31 December 2022	54,203
Provision	
Carrying amount	
At 31 December 2022	54,203

16 Debtors

		Group		Company	
	Note	2022	2021	2022	2021
Current		£	£	£	£
Trade debtors		9,288,744	8,280,106	5,164,693	4,969,257
Amounts owed by group undertakings		-	-	7,166,569	10,467,898
Other debtors		1,538,661	524,472	1,236,894	301,597
Prepayments and accrued income		11,820,002	7,980,051	2,262,895	1,226,631
Deferred tax assets	22	434,785	624,871	-	-
		23,082,192	17,409,500	15,831,051	16,965,383

Trade receivables are continuously monitored and allowances applied against trade receivables consist of both specific and collective impairments based on the Company's historical experiences for the relevant aged category as well as taking into account general economic conditions. Historical loss experience allowances are calculated by line of business in order to reflect the specific nature of the customers.

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

An impairment loss of £nil (2021: £nil) was recognized against trade debtors.

	2022	2021
	£	£
Currencies		
Pound	19,275,413	12,937,107
Euros	761,942	733,351
US Dollars	181,414	125,592
Aus Dollars	2,263,266	3,210,778
Others	600,157	402,672
	23,082,192	17,409,500

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Forward contracts

The company enters into forward foreign currency contracts to mitigate the exchange rate risk caused by the cost base being primarily in GBP whilst the majority of sales are billed in USD or Euros. At 31 December 2022, the outstanding contracts all mature within 24 months (2021: 12 months) of the year end. The company is committed to sell US \$16,000,000 and Euros 1,500,000 (2021: US\$ 5,500,000 and Euros nil). The forward currency contracts are measured at fair value, which are determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The fair value of the forward-foreign currency contracts asset is £565,856 (2021: £9,668).

		Group 2022	2021	Company 2022	2021
Non-current	Note	£	£	£	£
Amounts owed by group undertakings	22	-	-	7,889,481	7,855,828

17 Cash and cash equivalents

	2022	Group 2021	Company 2022	2021
	£	£	£	£
Cash on hand	308	274	-	-
Cash at bank	17,515,545	17,348,495	8,397,289	6,404,884
	17,515,853	17,348,769	8,397,289	6,404,884

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18 Creditors

	Group	2021	Company	2021
Note	2022	2021	2022	2021
	£	£	£	£
Due within one year				
Trade creditors	1,075,838	1,305,171	773,780	854,953
Amounts owed to group undertakings	-	-	2,847,809	4,466,015
Social security and other taxes	838,091	796,326	330,842	292,793
Other payables	3,606,830	2,931,883	112,240	9,668
Accruals and deferred income	20,995,554	17,318,241	16,713,292	13,935,205
Tax	22 254,526	188,586	93,211	-
	<u>26,770,839</u>	<u>22,540,207</u>	<u>20,871,174</u>	<u>19,558,634</u>

The carrying amounts of trade and other payables approximate their fair value. The fair values of the derivative financial instruments are calculated by discounting the future cash flows to net present values using appropriate market interest and foreign currency rates prevailing at 31 December 2022.

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

19 Share capital

Allotted, called up and fully paid shares

	2022	£	2021	£
	No.		No.	
Ordinary of £1 each	100,066	100,066	100,066	100,066

20 Obligations under leases and hire purchase contracts

Group

Operating leases - lessor

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	281,400	285,254
Later than one year and not later than five years	-	168,000
	<u>281,400</u>	<u>453,254</u>

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21 Dividends

	2022 £	2021 £
Final dividend of £6.3459 (2021 - £13.2189) per ordinary share	<u>635,008</u>	<u>1,322,763</u>

22 Provisions for Liabilities

Company

	2022 £	2021 £
Deferred tax	<u>44,130</u>	<u>42,864</u>
Other provisions	-	-
Aggregate amounts	<u>44,130</u>	<u>42,864</u>

Group

	Deferred Tax asset
	£
Balance at 1 January 2022	(624,871)
Timing differences in respect of capital allowances	-
Previous year's losses and other adjustments	190,086
Balance at 31 December 2022	<u>(434,785)</u>
	Deferred Tax liability
	£
Balance at 1 January 2022	85,329
Timing differences in respect of capital allowances	-
Previous year's losses and other adjustments	23,331
Balance at 31 December 2022	<u>111,369</u>
	<u>220,029</u>

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23 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

During the year, a connected company charged £110,700 (2021: £110,700) to QS Quacquarelli Symonds Limited for provision of premises facilities under a rental agreement. At the year end date the company owed £nil (2021: £nil) to the connected company.

A connected company shareholder of QS Quacquarelli Symonds Limited charged £nil (2021: £37,502) to the company for provision of consultancy services. At the year end date the company owed £nil (2021: £nil) to the connected company.

A private limited company incorporated in India is the 99.99% subsidiary of QS Quacquarelli Symonds Limited with a minority interest of 0.01% . During the year, the subsidiary charged £4,394,771 (2021: £3,955,500) for provision of various IT management and consultancy services. At the year end date the company owed £704,231 (2021: £659,872) to the subsidiary.

Key management includes the directors and members of the senior management team. At the year end date the total key management personnel compensation paid or payable was £2,776,757 (2021: £2,076,702) .

The above transactions occurred during the course of normal operations. The related party transactions entered into by the company have been contracted on an arms-length basis.

A charity is a connected party with QS Quacquarelli Symonds Limited due to a director's association. During the year, QS Quacquarelli Symonds Limited made various donations in cash and services for sums of £98,142 (2021: £88,820) to the connected charity. At the balance sheet date, the charity owed a sum of £nil (2020: £20,000) to the company.

24 Ultimate parent company

QS Quacquarelli Symonds Limited does not have an ultimate parent company.

25 Other financial commitments

At the balance sheet date, the company had not entered into any major contractual obligation.

26 Ultimate controlling party

The ultimate controlling party is N Quacquarelli by virtue of his beneficial 59.68% interest in the share holdings of the company.

27 Post balance sheet events

Information relating to the events since the end of year is given in the Directors' Report.