

VAS Holdings Limited

Registered number: 09599152

Annual Report and Financial Statements For the year ended 31 December 2021



VAS Holdings Limited
Registered Number: 09599152

Company Information

Directors

K N Murphy
M L Davidson
L F Wu

Registered office

11th Floor, 200 Aldersgate Street
London
EC1A 4HD

Independent auditor

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

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Directors' Report
For the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Principal activity and business review

VAS Holdings Limited (the "Company"), a private United Kingdom ("UK") limited company, was registered in the UK on 19 May 2015. The Company was established pursuant to the laws for England and Wales and pursuant to the Shareholder Agreement. The Company was formed for the purpose of investing in and holding 26,612 shares of Vietnam Australia International School for the purpose of capital appreciation. The Company is domiciled and registered in England in the UK. The registered number is 09599152 and the registered address is 11th Floor, 200 Aldersgate Street, London, EC1A 4HD.

On 15 February 2017, 67.5% of the shares in Vietnam Australia International School were acquired by TPG Asia VI SF Pte. Ltd.

Results and dividends

The profit for the year, after taxation, amounted to £30,562 (2020 - loss £25,418).

During the year the Company paid dividends of £360,186 (2020 - £175,746).

Directors

The directors who served during the year and up to the date of signing were:

L F Wu (appointed on 18 February 2022)
D Reintjes (resigned on 18 February 2022)
M L Davidson (appointed on 18 February 2022)
K N Murphy

Disclosure of information to auditor

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

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

Going concern

At 31 December 2021, the Company had net assets of £4,997,616 (year ended 31 December 2020 - £5,327,240). The directors have reviewed the future cash flows of the Company, which mainly consists of dividend income, and are satisfied that these cash flows will be sufficient to satisfy the Company's liabilities as they fall due. The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for a period of at least twelve months after the date of the approval of the financial statements.

The directors are of the opinion that this support will be forthcoming over the next twelve months and therefore believes that it is appropriate for the financial statements to be prepared on a going concern basis.

The Company was formed to purchase and hold shares of Vietnam Australia International School for the purpose of capital appreciation and is part of a larger investment structure of TPG Asia VI, L.P., an investment fund complex.

Directors' Report (continued)
For the Year Ended 31 December 2021

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

The directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a strategic report.

This report was approved by the board on 16 December 2022 and signed on its behalf by:



K N Murphy
Director



M L Davidson
Director

Statement of Directors' Responsibilities
For the Year Ended 31 December 2021

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Section 1A of Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'* ("FRS 102 Section 1A").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of VAS Holdings Limited

Opinion

We have audited the financial statements of VAS Holdings Limited (the "Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'* ("FRS 102 Section 1A"); 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the Members of VAS Holdings Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors as to the Company's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading the Company's meeting minutes; and
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is generated from few sources and transactions are easily verifiable to external sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to investments and cash validity of entries.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of Company legislation recognising the financial nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's Report to the Members of VAS Holdings Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of VAS Holdings Limited (continued)

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Peter Crabb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 17 December 2022

Statement of Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Administrative expenses	4	(88,989)	(82,490)
Foreign exchange (loss)/gain		(4,409)	824
Operating loss		(93,398)	(81,666)
Dividend income		421,729	289,682
Unrealized loss on financial asset at fair value	7	(372,211)	(291,793)
Loss before taxation		(43,880)	(83,777)
Tax on loss	5	74,442	58,359
Profit/(loss) for the financial year		30,562	(25,418)
Other comprehensive income		-	-
Total comprehensive income for the year		30,562	(25,418)

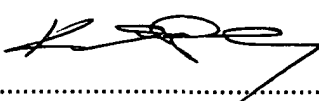
The above results were derived from continuing operations.

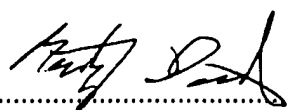
The notes on pages 12 to 22 form part of these financial statements.

Balance Sheet
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Financial asset at fair value through profit or loss	7	6,224,439	6,596,650
		<u>6,224,439</u>	<u>6,596,650</u>
Current assets			
Debtors	10	167,754	111,946
Cash at bank and in hand	11	19,230	49,952
		<u>186,984</u>	<u>161,898</u>
Creditors: amounts falling due within one year	12	(170,756)	(113,815)
Net current assets		<u>16,228</u>	<u>48,083</u>
Total assets less current liabilities		<u>6,240,667</u>	<u>6,644,733</u>
Provisions for liabilities			
Deferred tax liability	13	(1,243,051)	(1,317,493)
		<u>(1,243,051)</u>	<u>(1,317,493)</u>
Net assets		<u>4,997,616</u>	<u>5,327,240</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account		4,997,516	5,327,140
Total equity		<u>4,997,616</u>	<u>5,327,240</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
K N Murphy
Director


.....
M L Davidson
Director

Date: 16 December 2022

Date: 16 December 2022

The notes on pages 12 to 22 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	100	5,528,304	5,528,404
Comprehensive income for the year			
Loss for the year	-	(25,418)	(25,418)
Total comprehensive income for the year	-	(25,418)	(25,418)
Dividends paid (note 6)	-	(175,746)	(175,746)
Total transactions with owners	-	(175,746)	(175,746)
At 1 January 2021	100	5,327,140	5,327,240
Comprehensive income for the year			
Profit for the year	-	30,562	30,562
Total comprehensive income for the year	-	30,562	30,562
Dividends paid (note 6)	-	(360,186)	(360,186)
Total transactions with owners	-	(360,186)	(360,186)
At 31 December 2021	100	4,997,516	4,997,616

The notes on pages 12 to 22 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	30,562	(25,418)
Adjustments for:		
Decrease in deferred tax liability	(74,442)	(58,359)
Increase in debtors	(55,808)	(111,946)
Increase in creditors	56,941	33,135
Unrealized loss financial asset at fair value	372,211	291,793
Net cash generated from operating activities	<u>329,464</u>	<u>129,205</u>
Cash flows from financing activities		
Dividends paid	(360,186)	(175,746)
Net cash used in financing activities	<u>(360,186)</u>	<u>(175,746)</u>
Net decrease in cash and cash equivalents	(30,722)	(46,541)
Cash and cash equivalents at beginning of year	49,952	96,493
Cash and cash equivalents at the end of year	<u><u>19,230</u></u>	<u><u>49,952</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	19,230	49,952
	<u><u>19,230</u></u>	<u><u>49,952</u></u>

The notes on pages 12 to 22 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. General information

VAS Holdings Limited (the "Company"), a private United Kingdom ("UK") limited company, was registered in the UK on 19 May 2015. The Company was established pursuant to the laws for England and Wales and pursuant to the Shareholder Agreement. The Company was formed for the purpose of investing in and holding 26,612 shares of Vietnam Australia International School for the purpose of capital appreciation. The Company is domiciled and registered in England in the UK. The registered number is 09599152 and the registered address is 11th Floor, 200 Aldersgate Street, London, EC1A 4HD.

On 15 February 2017, 67.5% of the shares in Vietnam Australia International School were acquired by TPG Asia VI SF Pte. Ltd.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with UK GAAP (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in England and Wales). The Company's financial statements comply with Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102 Section 1A").

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Going concern

At 31 December 2021, the Company had net assets of £4,997,616 (year ended 31 December 2020 - £5,327,240). The directors have reviewed the future cash flows of the Company, which mainly consists of dividend income, and are satisfied that these cash flows will be sufficient to satisfy the Company's liabilities as they fall due. The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for a period of at least twelve months after the date of the approval of the financial statements.

The directors are of the opinion that this support will be forthcoming over the next twelve months and therefore believes that it is appropriate for the financial statements to be prepared on a going concern basis.

The Company was formed to purchase and hold shares of Vietnam Australia International School for the purpose of capital appreciation and is part of a larger investment structure of TPG Asia VI, L.P., an investment fund complex.

2.3 Foreign currency translation

The Company's functional and presentational currency is pounds sterling (£) and the level of rounding is to the nearest £1.

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign currency differences arising on translation are recognised in the profit and loss account together with other fair value changes arising from the asset or liability.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.4 Valuation of investments

Investment comprises of equity held by the Company in Vietnam Australia International School. As the Company owns 1.95% of the equity of Vietnam Australia International School, the investment is treated as a financial asset and held at fair value. The fair value of an unquoted investment is valued by the Company with fair value principles determined in accordance with FRS 102, Section 11: Basic Financial Instruments.

The unquoted investment is valued using one of the following methodologies:

- Internal funding rounds
- Earnings multiple
- Net assets

The directors have fair valued the unquoted investment held at the year-end date using an earnings multiple valuation technique.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash and deposits held with banks which are subject to insignificant risk of changes in their fair value.

2.6 Other income and expenses

Other income and expenses are accounted for on an accruals basis.

2.7 Current and deferred taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.7 Current and deferred taxation (continued)

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of multifaceted judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the year that such a determination is made.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Financial instruments

Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

These assets are subsequently carried at amortised cost using the effective interest method.

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

Other financial assets are initially measured at fair value, which is normally the transaction price. These assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Offsetting

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

2.11 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Notes to the Financial Statements
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.11 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of an asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

If the fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The investment held by the Company at 31 December 2021 has been classified as Level 3. Please refer to note 7 for the reconciliation of the Company's Level 3 investment.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of 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.

Notes to the Financial Statements
For the Year Ended 31 December 2021

4. Administrative expenses

	2021 £	2020 £
Other expenses	(38,330)	(44,363)
Audit fees	(42,840)	(28,000)
Tax compliance fees	(7,819)	(10,127)
	<u>(88,989)</u>	<u>(82,490)</u>

5. Taxation

	2021 £	2020 £
Current tax	-	-
Deferred tax		
Unrealized: tax credit (note 13)	(74,442)	(58,359)
Total deferred tax	<u>(74,442)</u>	<u>(58,359)</u>
Total tax	<u>(74,442)</u>	<u>(58,359)</u>

Reconciliation of effective tax rate

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss before tax	(43,880)	(83,777)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(8,337)	(15,918)
Effects of:		
Non-taxable items included in profit before tax multiplied by the standard rate of corporation tax in the UK of 19%	(62,383)	(39,523)
Effect of tax rates in foreign jurisdictions	(3,722)	(2,918)
Total tax credit included in profit or loss	<u>(74,442)</u>	<u>(58,359)</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

5. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2021 received royal assent on 10 June 2021 and included an increase to the UK's main corporation tax rate to 25% from 1 April 2023.

Deferred tax rate is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rate enacted at the reporting date. Consequently deferred tax liabilities at 31 December 2021 are calculated using the 19% enacted tax rate.

6. Dividends

	2021 £	2020 £
Dividends paid	360,186	175,746

7. Investment

	2021 £	2020 £
Investment at fair value through profit or loss	6,224,439	6,596,650
	<u>6,224,439</u>	<u>6,596,650</u>
Opening balance	6,596,650	6,888,443
Unrealized loss before tax	(372,211)	(291,793)
Closing balance	<u><u>6,224,439</u></u>	<u><u>6,596,650</u></u>

On 31 December 2021, the Company held 26,612 shares (2020 - 26,612 shares), which is 2.0% of the total shares outstanding in Vietnam Australia International School (2020 - 2.0%).

Vietnam Australia International School is an operator of private premium bilingual schools in Vietnam. The original cost of the investment was £9,182.

Notes to the Financial Statements
For the Year Ended 31 December 2021

8. Financial instruments risk management objectives and policies

The Company has exposure to the following risks:

- Credit risk
- Market risk
- Liquidity risk
- Foreign currency risk

(a) Credit risk

Credit risk is the risk of financial loss to the Company if another party to a financial instrument or transaction fails to discharge its contractual obligation when it falls due. The Company's only investment is in the form of an equity investment in Vietnam Australia International School, with no other receivables due from other counterparties. No change in fair value of the investment was due to credit risk.

(b) Market risk

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads will affect the Company's income or the fair value of its investments. The risk arises principally from the investments in Financial Assets at fair value through the profit and loss held by the Company. The Company's financial assets held at fair value is an investment in Vietnam Australia International School, an operator of private premium bilingual schools in Vietnam.

The following table shows the total carrying value of financial assets, which represents the maximum market exposure at period end:

	2021 £	2020 £
Investment at fair value through profit or loss	6,224,439	6,596,650

The carrying amounts of financial assets represent the maximum credit exposure.

The Company limits its exposure through the nature of the Company. The risk of default on these assets is borne by the holders of equity investments.

Financial asset designated at fair value through profit or loss relates to an investment in Vietnam Australia International School. The exposure of the Company's investments is continuously monitored by the directors.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The ability of the Company to continue to operate is dependent upon its ability to meet its ongoing expense obligations. Pursuant to the terms of the Shareholder Agreement, the shareholders may from time to time be required to pay to the Company their respective percentage interests of the Company expenses. This reduces the liquidity risk of the Company.

In accordance with the Shareholder Agreement, the return of equity contributions is limited to the realisable value of the investments less any accounts payable. Based on this, the liquidity risk of the Company is minimal.

(d) Foreign currency risk

The Company's exposure to foreign currency risk is minimal and is monitored by the directors.

Notes to the Financial Statements
For the Year Ended 31 December 2021

9. Fair value measurement

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels:

- Quoted prices
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, as derived from prices (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level of the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significant of an input is assessed against the fair value measurement in its entirety.

If the fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The investment held by the Company at 31 December 2021 has been classified as Level 3 (2020 - Level 3).

The following is a reconciliation of the Company's Level 3 investment:

	2021 £	2020 £
Beginning balance	6,596,650	6,888,443
Fair value movement before tax	(372,211)	(291,793)
Ending balance	6,224,439	6,596,650

The table below sets out information about the significant unobservable input used at 31 December 2021 and 31 December 2020 in measuring financial instruments categorised as Level 3 in the fair value hierarchy, including the fair value's sensitivity to the input.

2021	Fair value GBP	Valuation technique	Un- observable input	Actual input	Range	Impact to Valuation GBP
Vietnam Australia International School	6,224,439	Market comparables	FWD EBITDA Multiple	16.58x	15.58x - 17.58x	£262m - £313m
2020	Fair value GBP	Valuation technique	Un- observable input	Actual input	Range	Impact to Valuation GBP
Vietnam Australia International School	6,596,650	Last transaction price	Operating Marketing performance	N/A	N/A	N/A

Notes to the Financial Statements
For the Year Ended 31 December 2021

10. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	167,754	111,946

The amounts owed by group undertakings are unsecured and interest free.

11. Cash

	2021 £	2020 £
Cash at bank and in hand	19,230	49,952
	<u>19,230</u>	<u>49,952</u>

Bank accounts are held with JP Morgan Chase Bank, N.A. and Asia Commercial Bank Joint Stock Bank; £19,086 (2020 - £49,810) and £144 (2020 - £142) were held respectively.

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	38,279	35,426
Accrued expenses	132,477	78,389
	<u>170,756</u>	<u>113,815</u>

The amounts owed to group undertakings are unsecured and interest free.

13. Deferred tax liabilities

	2021 £	2020 £
At beginning of year	(1,317,493)	(1,375,852)
Credited to profit or loss	74,442	58,359
At end of year	<u>(1,243,051)</u>	<u>(1,317,493)</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

13. Deferred tax liabilities (continued)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Tax on unrealized gain on financial asset at fair value	(1,243,051)	(1,317,493)

14. Related party transactions

There are intercompany debtors of £167,754 (2020 - £111,946) as at the year ended 31 December 2021, which are related to the dividends to be received from Vietnam Australia International School of which VAS Holdings Limited owns 1.95%.

For the intercompany creditors of £38,279 (2020 - £35,426) as at the year ended 31 December 2021, the Company has taken advantage of the exemption provided under FRS 102 whereby it has not disclosed transactions with the immediate parent company or wholly owned subsidiary undertaking of the group.

The Company's immediate parent, TPG Asia VI SF Pte. Ltd., will provide financing to cover the Company's expenses until the Company generates sufficient income, if needed.

15. Directors' remuneration

There was no remuneration paid to the directors during the year ended 31 December 2021 (2020 - £nil).

16. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100

17. Controlling party

The Company's immediate parent company during the year was TPG Asia VI SF Pte. Ltd., a company incorporated in the Republic of Singapore and has its registered office at 83 Clemenceau Avenue, #11-01 UE Square, Singapore 239920. The ultimate parent company is TPG Asia VI SF AIV, L.P. a company incorporated and registered in the Cayman Islands.