

BARBRI GLOBAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

BARBRI GLOBAL LIMITED

COMPANY INFORMATION

Directors

L Allen
S Fredette
S L Hutchinson
A Mikkelsen
M Sims
D Wilson
C Wang (resigned 31 July 2023)

Registered number

13733203

Registered office

Thanet House
231-232 Strand
London
United Kingdom
WC2R 1DA

Independent auditors

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

BARBRI GLOBAL LIMITED

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BARBRI GLOBAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Principal activity

The principal activity of the company is to provide legal and professional education services. It provides three main courses namely, Altior, SQE courses and extended U.S. bar courses (EBAR). Altior has been accredited to deliver the SRA's Professional Skills Course (PSC) and Higher Rights of Audience (HRA) qualifications for 20+ years. PSC is a professional level compulsory course that trainee solicitors are mandated to take as part of their two-year training contract with a law firm. The course consists of 12 days of mandatory skills training including one written assessment which students must complete to 'pass' the PSC course.

The company has provided SQE Prep Courses to aspiring English and Welsh solicitors since 2021. Barbri Global Limited entered the UK market as a provider for QLTS in preparation for the new SQE route to qualification starting in 2021. The strategic purchase of BARBRI Altior (a legal skills training provider) at the end of 2019 also added expertise and faculty for the skills training elements tested in SQE2. The exams are broken down as follows:

1. Multiple Choice Test (SQE1)
2. Objective Structured Clinical Examination (SQE2)

The company also provides extended U.S Bar courses to aspiring lawyers internationally. This is a product built on our existing and successful core U.S Bar product sold in the U.S. EBAR Prep offers the support and flexibility foreign qualified or part time students need to pass any U.S. state bar that administers the Uniform Bar Exam, including New York, or the California Bar Exam.

Revenues in the year amounted to £1,245,069 for Altior, £9,981,588 for SQE and £3,996,842 for EBAR.

The company has a transfer pricing arrangement in place with the parent company where each product line has a different treatment of target operating profit. Due to this the total amount of operating profit owed to the parent company in FY23 amounted to £6,084,699. The profit for the company before the calculation of the transfer pricing arrangement would have been £6,944,746.

Results and dividends

The profit for the year ended 31 December 2023, after taxation, amounted to £644,742 (2022 - loss £182,657).

The company did not pay any interim dividends during the financial year and the directors have not recommended declared or paid any final dividends since the financial year end.

Directors

The directors who served during the year were:

L Allen
S Fredette
S L Hutchinson
A Mikkelsen
M Sims
D Wilson
C Wang (resigned 31 July 2023)

BARBRI GLOBAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

BARBRI GLOBAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Going concern

The Directors have assessed the ability of Barbri Global Ltd. ("the Company") to continue as a going concern and are confident in its capacity to continue to do so. This assessment has been conducted based on the Company's current financial position, future projections, market position, growth opportunities, the resilience of its business model and other factors.

The Directors have considered the following factors:

Financial Health

The Company maintains a robust balance sheet with healthy liquidity ratios. As of the end of the fiscal year, Barbri Global Ltd. has no debt and cash on its balance sheet, as well as access to cash and undrawn credit facilities through its parent, Barbri, Inc., to ensure sufficient liquidity to meet its obligations.

Market Position

Barbri Global Ltd. holds a strong market position in a rapidly growing market with a strong brand and a reputation for delivering high-quality products and services. This market strength underpins the Company's ability to generate consistent and growing revenue.

Future Prospects

Strategic plans for expansion and innovation are in place, supported by detailed financial projections that demonstrate the Company's ability to significantly grow in the foreseeable future through market expansion, new product launches and additional geographies.

Operational Efficiency

The Company has a profitable business model and continues to optimize operational processes and cost-control measures that enhance profitability and sustain long-term operations without external financial support.

Based on the above assessments and other factors, the Directors are confident that Barbri Global Ltd. has adequate resources to continue its operations for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The Directors will continue to monitor the financial and operational conditions of the Company and take necessary actions to ensure ongoing viability and growth.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

BARBRI GLOBAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Daniel J. Wilson

D Wilson (Jun 12, 2024, 4:56pm)

D Wilson
Director

Date: 12 Jun 2024

BARBRI GLOBAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARBRI GLOBAL LIMITED

Opinion

We have audited the financial statements of Barbri Global Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Company's affairs as at 31 December 2023 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BARBRI GLOBAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARBRI GLOBAL LIMITED (CONTINUED)

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, 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 and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARBRI GLOBAL LIMITED (CONTINUED)

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims, and any known instances of non-compliance;
- Performing audit work covering the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing our work throughout the audit file for evidence of non-compliance.

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

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

Tom Meeks FCCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date:

BARBRI GLOBAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

		31 December 2023 £	Period ended 31 December 2022 £
Turnover		15,223,499	9,300,696
Cost of sales		(2,139,873)	(1,573,025)
Gross profit		<u>13,083,626</u>	<u>7,727,671</u>
Administrative expenses		(6,138,680)	(4,382,234)
Exceptional administrative expenses		-	(121,627)
Other operating charges		(6,084,899)	(3,409,803)
Operating profit/(loss)	3	<u>860,047</u>	<u>(185,993)</u>
Tax on profit/(loss)	6	(215,305)	3,336
Profit/(loss) for the financial year		<u><u>644,742</u></u>	<u><u>(182,657)</u></u>
Total comprehensive income for the year/period		<u><u>644,742</u></u>	<u><u>(182,657)</u></u>

The notes on pages 12 to 25 form part of these financial statements.

BARBRI GLOBAL LIMITED
REGISTERED NUMBER: 13733203

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note		2023 £	2022 £
Fixed assets				
Intangible assets	7		5,795	6,497
Tangible assets	8		97,606	125,784
			103,401	132,281
Current assets				
Debtors: amounts falling due within one year	9	5,979,279	4,573,507	
Cash at bank and in hand	10	210,990	223,116	
		6,190,269	4,796,623	
Creditors: amounts falling due within one year	11	(5,831,584)	(5,111,560)	
Net current assets/(liabilities)			358,685	(314,937)
Total assets less current liabilities			462,086	(182,656)
Net assets/(liabilities)			462,086	(182,656)
Capital and reserves				
Called up share capital	13		1	1
Profit And Loss Account			462,085	(182,657)
			462,086	(182,656)
			462,086	(182,656)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 Jun 2024

Daniel J. Wilson

D Wilson (Jun 12, 2024, 4:56pm)

D Wilson
Director

The notes on pages 12 to 25 form part of these financial statements.

BARBRI GLOBAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2023	1	(182,657)	(182,656)
Comprehensive income for the year			
Profit for the year	-	644,742	644,742
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	644,742	644,742
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2023	1	462,085	462,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 25 form part of these financial statements.

BARBRI GLOBAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 9 November 2021	1	-	1
Comprehensive income for the period			
Loss for the period	-	(182,657)	(182,657)
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(182,657)	(182,657)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>1</u>	<u>(182,657)</u>	<u>(182,656)</u>

The notes on pages 12 to 25 form part of these financial statements.

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Barbri Global Limited is a private company limited by shares & incorporates in England and Wales. Its registered head office is located at Thanet House, 231-232 Strand, London, United Kingdom, WC2R 1DA.

The principal activity of Barbri Global Limited is disclosed in the Directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared under the going concern basis. The Directors consider it appropriate to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and value added taxes.

The company recognises revenue from the courses it offers over the period of the course on a straight-line basis or at the point the course is offered if it is a one-off course.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Furniture and fixtures	-	4 years
Office equipment	-	5 years
Computer hardware	-	3 years
Computer software	-	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 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.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 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.

2.15 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

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

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	Period ended	
	31 December 2023 £	31 December 2022 £
Depreciation of tangible fixed assets	64,574	45,294
Amortisation of intangible assets, including goodwill	702	527
Exchange differences	(147,620)	(5,985)
Defined contribution pension cost	300,429	13,516
	<u>218,085</u>	<u>53,352</u>

BARBRI GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Employees

	31 December 2023 £	Period ended 31 December 2022 £
Wages and salaries	3,484,094	2,065,825
Social security costs	312,968	221,141
Cost of defined contribution scheme	300,429	13,516
	4,097,491	2,300,482
	4,097,491	2,300,482

The average monthly number of employees, including directors, during the year was 58 (2022 - 56).

5. Directors' remuneration

	31 December 2023 £	Period ended 31 December 2022 £
Directors' emoluments	266,964	-
Company contributions to defined contribution pension schemes	24,553	-
	291,517	-
	291,517	-

During the year retirement benefits were accruing to 1 director (2022 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £225,120 (2022 - £NIL).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,553 (2022 - £NIL).

BARBRI GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Taxation

	31 December 2023 £	Period ended 31 December 2022 £
Corporation tax		
Current tax on profits for the year	228,184	-
	228,184	-
Total current tax	228,184	-
Deferred tax		
Origination and reversal of timing differences	(12,879)	(3,336)
Total deferred tax	(12,879)	(3,336)
Tax on profit/(loss)	215,305	(3,336)

BARBRI GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	31 December 2023 £	Period ended 31 December 2022 £
Profit/(loss) on ordinary activities before tax	860,047	(185,993)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	202,288	(35,339)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	165	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	41,172	-
Capital allowances for year/period in excess of depreciation	9,183	-
Utilisation of tax losses	(30,518)	-
Other timing differences leading to an increase (decrease) in taxation	(12,879)	-
Changes in provisions leading to an increase (decrease) in the tax charge	5,894	-
Unrelieved tax losses carried forward	-	32,003
Total tax charge for the year/period	215,305	(3,336)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Intangible assets

	Trademarks £
Cost	
At 1 January 2023	7,024
At 31 December 2023	<u>7,024</u>
Amortisation	
At 1 January 2023	527
Charge for the year on owned assets	702
At 31 December 2023	<u>1,229</u>
Net book value	
At 31 December 2023	<u>5,795</u>
At 31 December 2022	<u>6,497</u>

Amortisation on intangible assets is charged to admin expenses.

BARBRI GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Tangible fixed assets

	Leasehold Improvement £	Fixtures and fittings £	Office equipment £	Computer equipment £	Computer Software £	Total £
Cost or valuation						
At 1 January 2023	-	19,213	53,666	131,320	90,705	294,904
Additions	13,111	-	-	23,285	-	36,396
At 31 December 2023	<u>13,111</u>	<u>19,213</u>	<u>53,666</u>	<u>154,605</u>	<u>90,705</u>	<u>331,300</u>
Depreciation						
At 1 January 2023	-	11,513	48,929	63,300	45,378	169,120
Charge for the year on owned assets	2,622	4,540	1,804	38,168	17,440	64,574
At 31 December 2023	<u>2,622</u>	<u>16,053</u>	<u>50,733</u>	<u>101,468</u>	<u>62,818</u>	<u>233,694</u>
Net book value						
At 31 December 2023	<u><u>10,489</u></u>	<u><u>3,160</u></u>	<u><u>2,933</u></u>	<u><u>53,137</u></u>	<u><u>27,887</u></u>	<u><u>97,606</u></u>
At 31 December 2022	<u><u>-</u></u>	<u><u>7,700</u></u>	<u><u>4,737</u></u>	<u><u>68,020</u></u>	<u><u>45,327</u></u>	<u><u>125,784</u></u>

BARBRI GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. Debtors

	2023 £	2022 £
Trade debtors	346,952	615,467
Amounts owed by group undertakings	4,803,158	3,723,168
Other debtors	812,954	231,536
Deferred tax asset < 1yr	16,215	3,336
	5,979,279	4,573,507
	5,979,279	4,573,507

Amounts owed by group undertakings are interest free and repayable on demand.

10. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	210,990	223,116
	210,990	223,116
	210,990	223,116

11. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	240,726	3,813
Corporation tax	228,184	-
Other taxation and social security	750,095	762,130
Other creditors	4,714	13
Accruals and deferred income	4,607,865	4,345,604
	5,831,584	5,111,560
	5,831,584	5,111,560

BARBRI GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Exceptional items

	31 December 2023 £	Period ended 31 December 2022 £
Exceptional costs	-	121,627
	-	121,627
	-	121,627

In 2021, Barbri International Limited (BIL) and Barbri Global Limited (BGL) entered into a transfer agreement where all assets, liabilities, employees, and customers of BIL were transferred to BGL. Effective 1st April 2022, BIL's assets, contracts, and obligations were transferred to BGL and BIL is in the process of being wound up according to Irish law and regulation. Referencing the agreement, BGL is responsible to pay, satisfy or discharge all debts, liabilities and obligations incurred in connection with the operation of the business. During the year 2022, BGL paid for an Irish Corporate tax bill which amounted to €137,222 (£121,627). This has been charged to transaction costs associated with the transfer from BIL to BGL.

13. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	1	1
	1	1
	1	1

14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £300,429 (2022 - £13,516). Contributions totalling £25,057 (2022 - £NIL) were payable to the fund at the Balance sheet date and are included in creditors.

15. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	251,952	245,400
Later than 1 year and not later than 5 years	13,500	40,500
	265,452	285,900
	265,452	285,900

BARBRI GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16. Related party transactions

The Company has entered into a cost transfer price with the Parent Company at arm's length commercial rates. Under this agreement, a targeted operating profit was agreed upon and the excess was transferred to the Parent company. This amounted to £6,084,899, which is presented as part of administrative expenses in the statement of comprehensive income. As a wholly owned subsidiary of Barbri Inc., the company is exempt from the requirements of FRS 102 section 33 Related Party Disclosures to disclose transactions with other members of the group.

17. Controlling party

The company is a wholly owned subsidiary of Barbri Inc. a company incorporated in the United States of America. The Parent company is the immediate and controlling party of the company. The company's financial statements are consolidated within the financial statements of the Parent company as at 31 December 2023 The Parent company's registered office is at 12222 Merit Drive, Suite 1340, Dallas, Texas 75251, United States of America.

The ultimate controlling party is Barbri Topco L.P.

BARBRI GLOBAL LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover		15,223,499	9,300,696
Cost Of Sales		(2,139,873)	(1,573,025)
Gross profit		<u>13,083,626</u>	<u>7,727,671</u>
Gross profit %		85.9 %	83.1 %
Less: overheads			
Administration expenses		(6,138,680)	(4,503,861)
Other operating charges		(6,084,899)	(3,409,803)
Operating profit/(loss)		<u>860,047</u>	<u>(185,993)</u>
Tax on profit/(loss) on ordinary activities		(215,305)	3,336
Profit/(Loss) for the year/period		<u><u>644,742</u></u>	<u><u>(182,657)</u></u>

BARBRI GLOBAL LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Turnover		
Sales	15,223,499	9,300,696
	<u>15,223,499</u>	<u>9,300,696</u>
	2023 £	2022 £
Cost of sales		
Direct operational costs	1,066,559	876,011
Wages and salaries	1,000,566	632,705
National insurance	72,748	64,309
	<u>2,139,873</u>	<u>1,573,025</u>

BARBRI GLOBAL LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
Administration expenses		
Staff salaries	2,216,564	1,433,120
Advertising and promotion	1,481,027	1,394,304
Computer costs	337,732	111,907
Bank charges	296,805	248,862
Staff pension costs - defined contribution schemes	275,876	13,516
Directors salaries	266,964	-
Rent - non-operating leases	255,416	184,478
Staff national insurance	240,220	156,832
Legal and professional	239,126	121,176
Sundry establishment expenses	175,049	344,648
Staff welfare	173,257	159,873
Hotels, travel and subsistence	85,068	91,438
Depreciation - computer equipment	38,168	25,252
Sundry expenses	35,865	-
Auditors' remuneration	28,000	31,500
Directors pension costs - defined contribution schemes	24,553	-
Insurances	20,256	9,199
Depreciation - other fixed assets	20,062	14,306
General office expenses	15,978	9,213
Rates	15,591	19,074
Entertainment	15,537	7,850
Printing and stationery	8,562	162
Bad debts	6,324	-
Depreciation - fixtures and fittings	4,540	3,867
Repairs and maintenance	4,310	4,751
Depreciation - office equipment	1,804	1,869
Postage	1,665	461
Telephone and fax	1,279	-
Amortisation - intangible fixed assets	702	527
Administration exceptional (on face of P&L a/c)	-	121,627
Staff training	-	34
Difference on foreign exchange	(147,620)	(5,985)
	6,138,680	4,503,861
	2023 £	2022 £
Operating charges		
Transfer pricing	6,084,899	3,409,803
	6,084,899	3,409,803



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