

Learning at Work Limited

Report and Financial Statements

31 July 2016

RE-SCAN

FRIDAY



A65BYFBT

A32

28/04/2017

#164

COMPANIES HOUSE

5-5-17-112(FES)

Directors

J D Cummins
B McLeish
R Mayers
I Wallis

Auditor

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

HSBC
110-116 Grey Street
Newcastle upon Tyne
NE1 6JG

Solicitors

DWF LLP
Scott Place
2 Hardman Street
Manchester
M3 3AA

Registered Office

51-53 Innovation House
Longfield Road
Bishop Auckland
County Durham
DL14 6XB

Registered No. 06388790

Directors' report

The directors present their report and financial statements for the year ended 31 July 2016.

Principal activity

The principal activity of the company is the provision of learning materials to the Further Education sector.

Results

The profit for the financial year was £763,739 (2015: £1,239,721).

Directors

The directors who served the company during the year and to the date of approval of the financial statements were as follows:

J D Cummins
J Gilhespie (resigned 7 April 2016)
B McLeish
R Mayers
I Wallis

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

On behalf of the Board



Director - B. McLEISH
26 April 2017

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Independent auditor's report

to the members of Learning at Work Limited

We have audited the financial statements of Learning at Work Limited for the year ended 31 July 2016 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

to the members of Learning at Work Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the directors' report.



Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

28 April 2017

Income statement

for the year ended 31 July 2016

	<i>Notes</i>	<i>2016</i> £	<i>2015</i> £
Turnover		2,769,148	3,805,654
Cost of sales		<u>(936,564)</u>	<u>(1,265,796)</u>
Gross profit		1,832,584	2,539,858
Administrative expenses		<u>(876,805)</u>	<u>(970,624)</u>
Operating profit	2	955,779	1,569,234
Interest receivable and similar income		<u>-</u>	<u>-</u>
Profit before taxation		955,779	1,569,234
Tax on profit	4	<u>(192,040)</u>	<u>(329,513)</u>
Profit for the financial year		<u><u>763,739</u></u>	<u><u>1,239,721</u></u>

All activities are continuing.

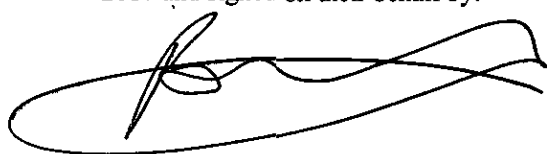
Balance sheet

at 31 July 2016

Registered No. 06388790

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	5	315,153	274,180
Tangible assets	6	18,420	24,602
		<u>333,573</u>	<u>298,782</u>
Current assets			
Stocks		312,524	193,446
Debtors	7	4,354,653	3,108,305
Cash at bank and in hand		334,123	1,013,073
		<u>5,001,300</u>	<u>4,314,824</u>
Creditors: amounts falling due within one year	8	<u>(436,834)</u>	<u>(477,845)</u>
Net current assets		<u>4,564,466</u>	<u>3,836,979</u>
Total assets less current liabilities		<u>4,898,039</u>	<u>4,135,761</u>
Provisions for liabilities			
Deferred taxation	4(b)	<u>(3,316)</u>	<u>(4,777)</u>
Net assets		<u>4,894,723</u>	<u>4,130,984</u>
Capital and reserves			
Called up share capital	9	2,370	2,370
Share premium account		109	109
Profit and loss account		4,892,244	4,128,505
		<u>4,894,723</u>	<u>4,130,984</u>
Shareholders' funds			

The financial statements were approved and authorised for issue by the Board of Directors on 26 April 2017 and signed on their behalf by:



Director - B. McLEISH

Statement of changes in equity

at 31 July 2016

	<i>Called up share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
At 1 August 2014	109	2,370	2,888,784	2,891,263
Profit for the year	-	-	1,239,721	1,239,721
At 31 July 2015	109	2,370	4,128,505	4,130,984
Profit for the year	-	-	763,739	763,739
At 31 July 2016	109	2,370	4,892,244	4,894,723

Notes to the financial statements

at 31 July 2016

1. Accounting policies

Statement of compliance

Learning at Work Limited is a limited liability company incorporated in England.

The Registered Office is:

51 - 53 Innovation House
Longfield Road
Bishop Auckland
County Durham
DL14 6XB

The company's financial statements have been prepared in accordance with FRS102, for the first time, as it applies to the financial statements of the company for the year ended 31 July 2016.

The company transitioned from the previously extant UK GAAP to FRS102 as at 1 August 2014. An explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 11.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared using accounting principles based on historical cost, unless stated otherwise.

The financial statements are prepared in GBP sterling which is the functional currency of the company and rounded to the nearest £.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Directors consider there to be no significant judgements impacting on amounts recognised in the financial statements.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Development costs – 2-3 years straight line

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 July 2016

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	–	15% reducing balance
Computer equipment	–	25% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Operating leases

Rentals under operating leases are charged to the profit and loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

Notes to the financial statements

at 31 July 2016

2. Operating profit

This is stated after charging:

	2016	2015
	£	£
Auditors' remuneration	5,500	5,000
Depreciation of tangible fixed assets	6,182	5,747
Amortisation of intangible fixed assets	188,488	65,451
Operating leases – land and buildings	-	113,436
Pension costs	-	891
	<u> </u>	<u> </u>

3. Staff costs and directors' remuneration

	2016	2015
	£	£
Wages and salaries	252,166	773,499
Social security costs	28,091	55,069
Other pension costs	-	891
	<u>280,257</u>	<u>829,459</u>

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

	No.	No.
Management and administration	<u>7</u>	<u>21</u>

	2016	2015
	£	£
Aggregate remuneration	<u>64,590</u>	<u>106,727</u>

Notes to the financial statements

at 31 July 2016

4. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax on the profit for the year	195,365	330,131
Adjustment in respect of prior periods	(1,864)	-
	<u>193,501</u>	<u>330,131</u>
Deferred tax:		
Origination and reversal of timing differences	(1,237)	(618)
Adjustment in respect of prior periods	144	-
Effect of changes tax rates	(368)	-
Total deferred tax (note 4(b))	<u>(1,461)</u>	<u>(618)</u>
Tax on profit	<u>192,040</u>	<u>329,513</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015 – 20.67%). The differences are explained below:

	2016	2015
	£	£
Profit before tax	<u>955,779</u>	<u>1,569,234</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20.67%)	191,156	324,361
<i>Effects of:</i>		
Expenses not deductible for tax purposes	2,972	5,152
Effect of change in tax rate	(368)	-
Adjustments to tax charge in respect of previous years	(1,720)	-
Tax for the year (note 6(a))	<u>192,040</u>	<u>329,513</u>

Notes to the financial statements

at 31 July 2016

4. Tax on profit (continued)

(c) Deferred taxation

	£
At 1 August 2015	(4,777)
Charge to the income statement for the year	1,461
At 31 July 2016	<u>(3,316)</u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	<u>3,316</u>	<u>4,777</u>

5. Intangible fixed assets

	<i>Development Costs</i>	<i>Total</i>
	£	£
Cost:		
At 1 August 2015	339,631	339,631
Additions	229,461	229,461
At 31 July 2016	<u>569,092</u>	<u>569,092</u>
Depreciation:		
At 1 August 2015	65,451	65,451
Charge for the year	188,488	188,488
At 31 July 2016	<u>253,939</u>	<u>253,939</u>
Net book value:		
At 31 July 2016	<u>315,153</u>	<u>315,153</u>
At 1 August 2015	<u>274,180</u>	<u>274,180</u>

Notes to the financial statements

at 31 July 2016

6. Tangible fixed assets

	<i>Office equipment</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 August 2015	14,055	26,116	40,171
Disposals	-	(721)	(721)
At 31 July 2016	<u>14,055</u>	<u>25,395</u>	<u>39,450</u>
Depreciation:			
At 1 August 2015	3,985	11,584	15,569
Disposals	-	(721)	(721)
Charge for the year	1,595	4,587	6,182
At 31 July 2016	<u>5,580</u>	<u>15,450</u>	<u>21,030</u>
Net book value:			
At 31 July 2016	<u>8,475</u>	<u>9,945</u>	<u>18,420</u>
At 1 August 2015	<u>10,070</u>	<u>14,532</u>	<u>24,602</u>

7. Debtors

	<i>2016</i>	<i>2015</i>
	£	£
Trade debtors	494,931	429,167
Amounts owed by group undertakings	3,588,661	2,523,471
Prepayments and accrued income	271,061	155,667
	<u>4,354,653</u>	<u>3,108,305</u>

8. Creditors: amounts falling due within one year

	<i>2016</i>	<i>2015</i>
	£	£
Trade creditors	130,137	248,822
Current corporation tax	184,147	175,221
Other taxes and social security costs	79,394	7,616
Other creditors and accruals	43,156	46,186
	<u>436,834</u>	<u>477,845</u>

9. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2016</i>	<i>No.</i>	<i>2015</i>
		£		£
Ordinary Class A shares of £1 each	1,185	1,185	1,185	1,185
Ordinary Class B shares of £1 each	1,185	1,185	1,185	1,185
		<u>2,370</u>		<u>2,370</u>

Notes to the financial statements

at 31 July 2016

10. Financial instruments

	2016	2015
	£	£
Financial assets measured at amortised cost:		
Trade and other debtors	740,196	467,314
	<u> </u>	<u> </u>
Financial liabilities recorded at amortised cost:		
Trade creditors	130,137	248,822
	<u> </u>	<u> </u>

11. Transition to FRS102

The company transitioned to FRS102 from previously extant UK GAAP as at 1 August 2014. There were no restatements required upon transitioning as no significant differences to existing accounting policies were noted.

12. Related party transactions

The company has taken advantage of the exemption given in FRS102 not to disclose transactions with wholly owned related parties on the grounds that it is a wholly owned subsidiary of a group headed by Genius Holdco Limited, and group financial statements consolidating the company are publicly available.

13. Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking is Genius Holdco Limited. The directors consider MML Capital Partners to be the ultimate controlling party.

The smallest and largest group in which the results of the company are currently consolidated are those headed by Genius Holdco Limited. The group financial statements of Genius Holdco Limited are available to the public and may be obtained from Companies House.