

Company Registration No. 03980770 (England and Wales)

**LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT  
LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 27 APRIL 2019**



# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## COMPANY INFORMATION

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<b>Director</b>	W Janse Van Rensburg	(Appointed 23 June 2018)
<b>Company number</b>	03980770	
<b>Registered office</b>	Dearing House 1 Young Street Sheffield S1 4UP	
<b>Auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD	

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# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

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# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **STRATEGIC REPORT**

### **FOR THE PERIOD ENDED 27 APRIL 2019**

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The director presents the strategic report for the period ended 27 April 2019.

#### **Fair review of the business**

The provision of adult education apprenticeships, European Social Fund (ESF) delivery ceased after the end of July 2018 leaving the Department for Work and Pensions (DWP) contracts as the remaining significant contract.

The results for the period to 27 April 2019 were as expected as the company completed its ESF contracts with the Education and Skills Funding Agency to July 2019 when these contracts were either concluded or were novated to Dimensions Training Solutions Limited. It continued to delivery its contracts with the DWP and sold commercial online courses. The loss incurred for the period were in line with expectations as the company continued with the orderly wind down of the Adult Education Budget contract and resized the company by reducing the estate of Business Centres and associated staff and ended technology and other associated contracts.

In June 2018 Pimco 2909 Limited and its subsidiaries learndirect Training Limited and Dearing Limited were sold to Dimensions Training Solutions Limited (DTS) for a nominal fee. DTS has significant experience with the Education & Skills Funding Agency (ESFA) and the ESFA agreed that, at the point of sale, Advanced Learner Loans and ESF contract could novate to DTS. This meant that a significant number of staff associated with that provision remained employed in the acquiring company. DTS also saw the opportunity to utilise learndirect content and brands within its commercial business to generate sales and growth and widen its portfolio of courses offered to learners.

Immediately following the sale of the Pimco 2909 Limited group, DTS sold the trade and assets of its Apprenticeships Levy business from Dearing Limited to PeoplePlus in July 2018 following a number of senior leaders taking positions with PeoplePlus.

In late Summer 2018, following the novation of Advanced Learner Loans and ESF contracts to DTS, the ESFA confirmed that for a number of ESF contracts, funding growth and extension of funding to the end of March 2019 had been awarded.

DTS continued with the orderly wind down of the former learndirect Training Limited AEB business and resized the business by reducing the estate of Business Centres and associated staff and ended technology and other associated contracts.

#### **Description of Principle Risks and Uncertainties**

The Director considers that the principal risks and uncertainties currently are:

1. Reduced turnover and contracts. The only remaining contract of significance is the Work Starts contract with the DWP. The cost base of the company has been reduced to reflect its smaller size.
2. Future performance. Whilst the director and senior management are working on the development and growth of commercial income activities, future income is not easy to predict.

The Director continues to manage day-to-day performance closely and are keeping cost levels under close review in order to be able to mitigate any shortfalls to expected operating income.

#### **Financial risk management objectives and policies**

The Company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of the financial instruments is to raise finance for the Company's operation. The Directors have considered liquidity, cash flow, interest rate risk and credit risk and determined that the only material risks arising from the Company's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing these risks as summarised below.

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 27 APRIL 2019**

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### **Credit risk**

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, as its largest customer is the DWP.

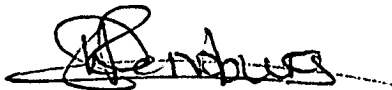
### **Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets and short and medium term deposits safely and profitably.

### **Events since the Balance Sheet date**

The on-line training courses which were developed in this company during the period ended 30 April 2019 were transferred to Learndirect Ltd (formerly Stonebridge Colleges (Publishing) Ltd with effect from 1 August 2019 as part of a rationalisation of the Group's activities. The Company continues to deliver contracts for the Department of Work and Pensions. The impact of Coronavirus on the Company is explained in the post balance sheet events note towards the end of these accounts.

On behalf of the board



W Janse Van Rensburg

Director

28 May 2020

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## DIRECTOR'S REPORT

**FOR THE PERIOD ENDED 27 APRIL 2019**

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The director presents his annual report and financial statements for the period ended 27 April 2019. The current year financial results represent the 12 month period from 29 April 2018 to 27 April 2019 and the comparative results represent the 15 months to 28 April 2018.

### Principal activities

The principal activity of the company continued to be the provision of apprenticeships and employment related training and the delivery of online commercial courses.

### Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

W Janse Van Rensburg	(Appointed 23 June 2018)
A R A Palmer	(Resigned 14 December 2019)
S M P Adcock	(Resigned 23 June 2018)
K C Hills	(Resigned 23 June 2018)

### Results and dividends

The results for the period are set out on page 8.

### Auditor

BHP LLP were deemed re-appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006.

### Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

### Statement of disclosure to auditor

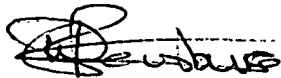
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

**DIRECTOR'S REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 27 APRIL 2019**

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On behalf of the board



W Janse Van Rensburg  
Director

28 May 2020

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

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#### Opinion

We have audited the financial statements of Learndirect Training Limited (formerly Learndirect Limited) (the 'company') for the period ended 27 April 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 27 April 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability 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.

#### Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to him 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.

**Philip Allsop (Senior Statutory Auditor)**  
**for and on behalf of BHP LLP**

28 May 2020

**Chartered Accountants**  
**Statutory Auditor**

2 Rutland Park  
Sheffield  
S10 2PD

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 27 APRIL 2019

		period ended 27 April 2019 £000	period ended 28 April 2018 £000
	Notes		
Turnover	3	23,827	138,061
Cost of sales		(18,166)	(110,630)
<b>Gross profit</b>		<b>5,661</b>	<b>27,431</b>
Administrative expenses		(7,245)	(34,388)
Exceptional administrative expenses	4	(221)	(24,893)
<b>Operating loss</b>	5	<b>(1,805)</b>	<b>(31,850)</b>
Interest receivable and similar income	9	-	1
Interest payable and similar expenses	10	(332)	(4,737)
<b>Loss before taxation</b>		<b>(2,137)</b>	<b>(36,586)</b>
Tax on loss	11	157	-
<b>Loss for the financial period</b>		<b>(1,980)</b>	<b>(36,586)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

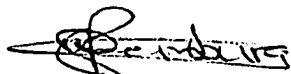
# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## BALANCE SHEET

AS AT 27 APRIL 2019

	Notes	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	13	53	1,249
Tangible assets	14	-	521
		<u>53</u>	<u>1,770</u>
<b>Current assets</b>			
Debtors	16	4,625	20,887
Cash at bank and in hand		999	2,080
		<u>5,624</u>	<u>22,967</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(17,874)</u>	<u>(78,677)</u>
<b>Net current liabilities</b>		<u>(12,250)</u>	<u>(55,710)</u>
<b>Total assets less current liabilities</b>		<u>(12,197)</u>	<u>(53,940)</u>
<b>Creditors: amounts falling due after more than one year</b>	18	-	(608)
<b>Provisions for liabilities</b>	20	<u>(1,126)</u>	<u>(1,792)</u>
<b>Net liabilities</b>		<u>(13,323)</u>	<u>(56,340)</u>
<b>Capital and reserves</b>			
Share premium account	23	44,997	-
Profit and loss reserves		<u>(58,320)</u>	<u>(56,340)</u>
<b>Total equity</b>		<u>(13,323)</u>	<u>(56,340)</u>

The financial statements were approved by the board of directors and authorised for issue on 28 May 2020 and are signed on its behalf by:



W Janse Van Rensburg  
Director

Company Registration No. 03980770

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **STATEMENT OF CHANGES IN EQUITY** **FOR THE PERIOD ENDED 27 APRIL 2019**

	Notes	Share premium account £000	Profit and loss reserves £000	Total £000
<b>Balance at 1 February 2017</b>		-	(19,754)	(19,754)
<b>Period ended 28 April 2018:</b>				
Loss and total comprehensive income for the period		-	(36,586)	(36,586)
<b>Balance at 28 April 2018</b>		-	(56,340)	(56,340)
<b>Period ended 27 April 2019:</b>				
Loss and total comprehensive income for the period		-	(1,980)	(1,980)
Other movements	<b>22</b>	44,997	-	44,997
<b>Balance at 27 April 2019</b>		44,997	(58,320)	(13,323)

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2019

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### 1 Accounting policies

#### Company information

Learndirect Training Limited (formerly Learndirect Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Dearing House, 1 Young Street, Sheffield, S1 4UP.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Learndirect Limited. These consolidated financial statements are available from its registered office, 42 Ocean View Road, Bude, Cornwall, EX23 8ST.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

The balance sheet shows net liabilities of £13.3m but this includes amounts owed to group companies of £13.4m and those companies have agreed not to seek settlement of these amounts until the company has sufficient funds for this purpose. The director and senior management team are managing the day-to-day performance of the current DWP contract very closely and by managing costs, forecast that the company's current activity will be profit making in the near future. In his role as principal shareholder of the Learndirect Limited Group, the director has committed to ensuring that the Company will be provided with sufficient additional funds to meet its historical financial obligations during at least the next 12 months. In light of this and with the support of the Learndirect Limited Group, the director has a reasonable expectation at the time of approving the financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. He therefore continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Reporting period

These financial statements are for the 12 month period ended 27 April 2019 and the comparative reporting period is the 15 month period ended 28 April 2018. As a result, the comparative amounts presented in the financial statements are not entirely comparable.

#### 1.4 Turnover

The majority of the company's revenue during the period has been earned under contracts with the Education and Skills Funding Agency (ESFA) and the Department for Work and Pensions (DWP).

##### *Employability*

The company contracts with clients to assist them in gaining employment. Where this is classroom or modular based, funding is received over the duration of the programme. Where this funding is results based, income is recognised when payment milestones have been achieved.

##### *Workplace funding including apprenticeships*

The company contracts with learners in the workplace to assist them in gaining an accredited qualification in their chosen programme of learning. Under the Workplace methodology, funding is received to support learners separately for 'on programme' learning and for successfully achieving the qualification. 'On programme' funding is recognised over the duration of the learning programme. The achievement payment is recognised when the learner achieves the qualification.

##### *E-Assessment (Life in the UK and Standards Testing Agency)*

Fee revenue is recognised when the candidate takes the test. Fees received in advance of the test being taken are treated as deferred income and fees not received when the test is taken are included in accrued income.

##### *Annual licence arrangements*

Revenue for the use of materials, systems and services under annual licence arrangements is recognised evenly over the period for which the licence applies.

##### *Adult educational courses*

Turnover represents the value, net of value added tax and discounts, of adult educational courses including tutoring and training support provided by to learners. Course revenues are recognised on delivery of the course materials. However, provision is made for the estimated future costs of learner support and accreditation.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Intangible fixed assets other than goodwill

The cost of internally developed digital learning material which have an estimated useful life of more than one year, are carried as an intangible asset and amortised either over the estimated useful life of the materials or based on usage where this can be accurately determined.

Third party licensed digital materials purchased in advance are carried as an intangible asset and amortised based on usage.

Software related development costs incurred through our own incremental labour costs arising directly from the development of the software that are directly attributable to bringing a computer system into use are treated as an intangible asset.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the term of the lease
Fixtures and fittings	5 years straight line
Computers	2 to 6 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Assets relating to specific projects are written off over the shorter of the asset's useful life or project life.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such 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.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and loans from fellow group companies, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.11 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.12 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Group relief is surrendered / received for nil payment.

#### **1.13 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 27 APRIL 2019**

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### **1 Accounting policies**

**(Continued)**

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

Retirement benefits to employees of the company are provided under the following arrangements:

- a group stakeholder pension scheme; and
- contributions to personal pension plans of an employee's choice.

Contributions to the group stakeholder pension scheme, which is a defined contribution scheme, are charged as an expense when they become payable and in accordance with the rules of the scheme.

Contributions to personal pension plans of an employee's choice are charged as an expense when they become payable and in accordance with the rules of the scheme.

#### **1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.17 Exceptional items**

Income and expenditure transactions which are unusually large and outside of the normal course of the company's trade are classified as exceptional items in the Profit and Loss Account.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

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### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Development expenditure***

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

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Goodwill and intangible assets***

The company establishes a reliable estimate of the useful life of goodwill and intangible assets. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### ***Impairment of tangible and intangible assets including goodwill***

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation.

The fair value less costs to sell calculation is based on available data from binding sales transactions at an arm's length basis on similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and estimates for the number of relevant years and do not include restructuring activities that the company is not yet committed to, or significant future investments that will enhance the performance of the cash generating units being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 27 APRIL 2019**

### **3 Turnover and other revenue**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Turnover analysed by class of business</b>		
Classroom and workplace	20,130	124,782
E-assessments	9	12,053
Other	3,688	1,226
	<u>23,827</u>	<u>138,061</u>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Other significant revenue</b>		
Interest income	-	1
	<u>-</u>	<u>1</u>

### **4 Exceptional costs/(income)**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Impairment of group goodwill	-	16,017
Impairment of investments	-	6,491
Restructuring costs including redundancy and staff retention costs	221	5,128
Impairment of intangible assets	-	1,122
Recognition of ESFA income from a prior year	-	(5,071)
Onerous lease costs	-	684
Legal costs in relation to the Ofsted judicial review	-	222
Professional fees in relation to research and development	-	123
Professional fees in relation to the sale of the E-assessment division	-	67
Costs incurred due to aborted development of English language courseware	-	42
VAT reclaimed relating to previous periods - net of professional costs	-	68
	<u>221</u>	<u>24,893</u>

### **5 Operating loss**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Operating loss for the period is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	520	1,573
Loss/(profit) on disposal of tangible fixed assets	74	(1,607)
Amortisation of intangible assets	1,196	4,968
Impairment of intangible assets	-	17,139
Profit on disposal of intangible assets	(958)	-
Operating lease charges	3,739	4,429
	<u>3,739</u>	<u>4,429</u>

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

### 6 Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	9	26

### 7 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2019 Number	2018 Number
Operations	138	1,465
Administration	28	200
	166	1,665

Their aggregate remuneration comprised:

	2019 £000	2018 £000
Wages and salaries	5,864	47,328
Social security costs	453	3,825
Pension costs	210	1,002
	6,527	52,155

Included within employee costs is £107,000 (2018: £2,178,000) of redundancy costs which are shown as exceptional items.

### 8 Director's remuneration

	2019 £000	2018 £000
Remuneration for qualifying services	227	833
Company pension contributions to defined contribution schemes	31	55
	258	888

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 3).

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

### 8 Director's remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £000	2018 £000
Remuneration for qualifying services	225	350
Company pension contributions to defined contribution schemes	31	38
	<u>256</u>	<u>388</u>

### 9 Interest receivable and similar income

	2019 £000	2018 £000
Interest income		
Interest on bank deposits	-	1
	<u>-</u>	<u>1</u>

### 10 Interest payable and similar expenses

	2019 £000	2018 £000
Interest payable to a related party (a former group company)	332	-
Interest payable to group undertakings	-	4,737
	<u>332</u>	<u>4,737</u>

### 11 Taxation

	2019 £000	2018 £000
Current tax		
UK corporation tax on profits for the current period	(157)	-
	<u>(157)</u>	<u>-</u>



# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

### 11 Taxation

(Continued)

The actual (credit)/charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2019 £000	2018 £000
Loss before taxation	(2,137)	(36,586)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(406)	(6,951)
Tax effect of expenses that are not deductible in determining taxable profit	359	6,951
Group relief	47	-
Research and development tax credit	(157)	-
Taxation credit for the period	(157)	-

### 12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 £000	2018 £000
In respect of:			
Goodwill	13	-	16,017
Intangible assets	13	-	1,122
Fixed asset investments	15	-	6,491

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

### 13 Intangible fixed assets

	Goodwill	Computer software	Product licences	Learning products	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 29 April 2018	37,560	29,551	294	6,004	73,409
Additions	-	-	42	-	42
Disposals	-	(29,465)	(336)	(6,004)	(35,805)
At 27 April 2019	37,560	86	-	-	37,646
<b>Amortisation and impairment</b>					
At 29 April 2018	37,560	28,570	294	5,736	72,160
Amortisation charged for the period	-	928	-	268	1,196
Disposals	-	(29,465)	(294)	(6,004)	(35,763)
At 27 April 2019	37,560	33	-	-	37,593
<b>Carrying amount</b>					
At 27 April 2019	-	53	-	-	53
At 28 April 2018	-	981	-	268	1,249

More information on the impairment arising in the prior period is given in note 12.

### 14 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Computers	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 29 April 2018	67	1,049	6,175	7,291
Additions	17	-	-	17
Disposals	(84)	(1,044)	(6,013)	(7,141)
At 27 April 2019	-	5	162	167
<b>Depreciation and impairment</b>				
At 29 April 2018	40	709	6,021	6,770
Depreciation charged in the period	27	340	153	520
Eliminated in respect of disposals	(67)	(1,044)	(6,012)	(7,123)
At 27 April 2019	-	5	162	167
<b>Carrying amount</b>				
At 27 April 2019	-	-	-	-
At 28 April 2018	27	340	154	521

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

### 15 Fixed asset investments

The company holds 100% of the Ordinary Shares in Learndirect Centres Limited and JHP Group Limited, both companies registered in the United Kingdom.

The combined written down value of the investments is £2.

### 16 Debtors

	2019 £000	2018 £000
<b>Amounts falling due within one year:</b>		
Trade debtors	1,732	6,966
Amounts owed by group undertakings	2,488	11,994
Other debtors	231	422
Prepayments and accrued income	174	1,505
	<u>4,625</u>	<u>20,887</u>

### 17 Creditors: amounts falling due within one year

	Notes	2019 £000	2018 £000
Other borrowings	19	-	52,578
Amounts owed to funding bodies		695	2,375
Trade creditors		1,183	2,368
Amounts owed to service providers		1,208	3,095
Amounts due to group undertakings		13,436	11,108
Other taxation and social security		294	595
Other creditors		538	2,241
Accruals and deferred income		520	4,317
		<u>17,874</u>	<u>78,677</u>

### 18 Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Other creditors	-	608
	<u>-</u>	<u>608</u>

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

### 19 Loans and overdrafts

	2019 £000	2018 £000
Loans from related parties	-	52,578
Payable within one year	-	52,578

As part of the acquisition of the Pimco 2909 Limited group by Dimensions Training Solutions Limited, the balance outstanding on the group company loan prior to acquisition was capitalised into share capital - see note 22.

### 20 Provisions for liabilities

	2019 £000	2018 £000
Dilapidations	1,126	1,792
Movements on provisions:		
		<b>Dilapidations £000</b>
At 29 April 2018		1,792
Utilisation of provision		(666)
At 27 April 2019		1,126

The dilapidations provision represents the expected future obligations relating to the maintenance of leasehold properties arising from events such as lease renewals or terminations. Dilapidation provisions have been derived based on a review undertaken by independent experts. The provision is expected to be utilised in the next five years.

### 21 Retirement benefit schemes

	2019 £000	2018 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	210	1,002

Contributions are paid to the defined contribution schemes and charged to the profit and loss account as they become payable. Contributions are paid by the company between 2% and 10% of an employee's basic salary if the employee contributes between 1% and 5% of their salary.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 27 APRIL 2019**

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### **22 Share capital**

During the year 3 Ordinary £1 shares were issued for consideration totalling £44,997,454. This gave rise to a share premium account of £44,997,451.

**Reconciliation of movements during the period:**

	<b>Number</b>
At 29 April 2018	100
Issue of fully paid shares	3
	<hr/>
At 27 April 2019	103
	<hr/> <hr/>

### **23 Share premium account**

The share premium reserve contains the premium arising on issue of equity shares during the year net of issue expenses. See note 22 for details.

# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

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### 24 Financial commitments, guarantees and contingent liabilities

The company issued a debenture over the fixed and floating assets to Pimco 2909 Limited on 4 October 2011.

### 25 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £000	2018 £000
Within one year	492	1,738
Between two and five years	-	544
	<u>492</u>	<u>2,282</u>

### 26 Events after the reporting date

In light of recent developments triggered by the coronavirus pandemic, the director is working with senior management to manage all risks and ensure the business can continue with minimal interruption whilst ensuring the safety of all staff and customers. Staff are able to work remotely with no incremental cost to the business.

Employment-related training activities may see an increase in interest due to job losses in some sectors. Management have worked directly with the DWP to eliminate face to face interaction, typical to such training, and have devised remote delivery solutions to ensure continued service.

The company is equipped and ready to operate during this period of uncertainty.

The director has considered these impacts of Covid-19 on the business in their assessment of the going concern basis in note 1.2. The impacts are the direct result of Government and international policy in response to the pandemic and such policy only arose after the balance sheet date. The Director therefore consider the impact of the COVID-19 on the business to be a non-adjusting post-balance sheet event.

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 27 APRIL 2019***

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### **27 Related party transactions**

At 27 April 2019 the following balances were owed to Stonebridge Associated Colleges Limited, £5,604 (at 28 April 2018: £nil) due from Pearltech UK Limited and £1,013 (at 28 April 2018: £nil) due from a Self Administered Pension Scheme of the parent company shareholders.

The companies are related to Stonebridge Associated Colleges Limited through common directorship of Wayne Janse Van Rensburg.

The company has taken advantage of the exemption in section 33.1A of FRS 102 from disclosing transactions entered into between two or more members of the group as all subsidiaries are wholly owned.

The company has taken advantage of exemption under FRS 102 section 1.12 Reduced Disclosures for Subsidiaries from disclosing key management personnel compensation in total.

### **28 Ultimate controlling party**

The ultimate parent company is Learndirect Limited, a company controlled by W Janse van Rensburg.

The parent of the entity is Pimco 2909 Limited.

**LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT  
LIMITED)**

**MANAGEMENT INFORMATION**

**FOR THE PERIOD ENDED 27 APRIL 2019**



# LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 27 APRIL 2019

		period ended 27 April 2019 £000		period ended 28 April 2018 £000
	£000	£000	£000	£000
<b>Turnover</b>				
Classroom and workplace		22,250		124,782
E-assessment		9		12,053
Other		1,568		1,226
		<u>23,827</u>		<u>138,061</u>
<b>Cost of sales</b>				
Learning provider/subcontractor costs	9,762		56,022	
Other direct costs	1,075		421	
Funding audit risk provision	127		(142)	
Allowances and support costs	82		295	
Exam fees	117		3,658	
Wages and salaries	3,900		34,298	
Social security costs	301		2,939	
Staff pension costs	66		681	
Other staff costs	101		4,343	
Property costs	358		5,434	
Other costs	2,277		2,681	
		<u>(18,166)</u>		<u>(110,630)</u>
<b>Gross profit</b>	23.76%	5,661	19.87%	27,431

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)**

**FOR THE PERIOD ENDED 27 APRIL 2019**

		period ended 27 April 2019 £000		period ended 28 April 2018 £000
	£000	£000	£000	£000
<b>Administrative expenses</b>				
Wages and salaries	1,131		6,954	
Social security costs	152		886	
Staff pension costs	113		266	
Other staff costs	505		900	
Directors' remuneration	227		536	
Directors' fees	-		297	
Directors' pension costs - defined contribution scheme	31		55	
Allowances and support costs	-		10	
Exam fees	-		3	
Property costs	210		3,193	
Audit fees	9		26	
Other direct costs	-		562	
Other costs	3,006		12,412	
Irrecoverable VAT	1,028		3,354	
Amortisation	1,196		4,968	
Depreciation	520		1,573	
Profit or loss on disposal of intangible assets (non exceptional)	(958)		-	
Profit or loss on sale of tangible assets	74		(1,607)	
Costs from group companies	1		-	
		(7,245)		(34,388)
<b>Exceptional items</b>				
Exceptional administrative expenses	(221)		(24,893)	
		(221)		(24,893)
<b>Operating loss</b>		(1,805)		(31,850)

# **LEARNDIRECT TRAINING LIMITED (FORMERLY LEARNDIRECT LIMITED)**

## **DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)** **FOR THE PERIOD ENDED 27 APRIL 2019**

		period ended 27 April 2019 £000	£000	period ended 28 April 2018 £000
<b>Interest receivable and similar income</b>				
Bank interest received	-		1	
				1
<b>Interest payable and similar expenses</b>				
Interest payable to a related party (a former group company)	332		-	
Interest payable to group undertakings	-		4,737	
		(332)		(4,737)
<b>Loss before taxation</b>	8.97%	(2,137)	26.50%	(36,586)