

# BPP LEARNING MEDIA LIMITED

Annual Report and Financial Statements

For the year ended 31 August 2018

Company No. 05959432

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COMPANIES HOUSE

**OFFICERS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

A Wells  
G Gaddes (Appointed 06/02/2018)  
G Dart (Appointed 06/02/2018)

**AUDITOR**

Deloitte LLP  
Statutory Auditor  
St Albans  
United Kingdom

**BANKERS**

Barclays Bank PLC  
27 Soho Square  
London W1D 3QR

**SOLICITORS**

Eversheds LLP  
One Wood Street  
London  
EC2V 7WS

**REGISTERED OFFICE**

BPP House  
Aldine Place  
142-144 Uxbridge Road  
London  
W12 8AW

# BPP Learning Media Limited

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## STRATEGIC REPORT

### PRINCIPAL ACTIVITY OF THE BUSINESS

The principal activity of the Company is the provision of study material to customers including bookshops, colleges and students studying for a variety of qualifications.

### REVIEW OF THE BUSINESS

The trading results for the year ended 31 August 2018, and the Company's financial position as at the end of the year, are shown in the attached financial statements.

The profit and loss account for the year shows a loss after tax of £1,935,000 (2017: £4,230,000 loss). The directors have not recommended a dividend (2017: £nil).

Turnover has decreased by £1,268,000 (8%) compared to the prior year, with an operating loss of £2,333,000 (2017: £4,892,000). Net assets have decreased by £1,935,000 reflecting the loss for the year.

### ANALYSIS OF KEY PERFORMANCE INDICATORS

BPP Learning Media Limited key performance indicators have been identified as turnover and operating profit. These are discussed under the financial review above.

		2018	2017	% Change
Turnover	£'000's	14,345	15,613	8%
Operating loss	£'000's	(2,333)	(4,892)	52%
Operating loss margin	%	16%	31%	

### KEY RISKS AND UNCERTAINTIES

BPP Learning Media Limited assumes the risks and uncertainties of a publishing business. These include printing in the UK and in a number of overseas markets, storage in both a UK warehouse and that of the logistics partner in Singapore of books and other e-learning materials. This is in addition to their sale and distribution in the UK and over 170 countries around the world.

The uncertainty in the UK economy caused by Brexit has yet to significantly impact the business but the key risk is the wider economic impact of Brexit causing reduced discretionary spend by customers. However, there is a potential opportunity from foreign exchange differences as £3.1m of turnover comes from outside of Europe.

The entity continued to make a loss in 2018. This means that continued support from BPP Holdings Limited is required. The trading conditions and cash flows of the business continue to be monitored by management.

The Company seeks to address these risks by maintaining its high standards of education in order to be the provider of choice for students and monitoring the economic outlook caused by Brexit and other global economic events in core geographies and will maintain flexible resources available so the Company is able to respond to changes in economic conditions and competitor actions.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### *Credit risk*

The Company's principal financial assets are bank balances and cash, trade and other receivables, and investments. 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. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

STRATEGIC REPORT (CONTINUED)

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

*Credit risk (continued)*

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

*Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company manages its liquidity risk through a cash pooling arrangement with its parent companies and fellow subsidiary companies, meaning that they can lend and borrow funds between them where required. The Company use this facility as an efficient treasury management tool to manage its liquidity risk.

**COMPLIANCE AND REGULATORY RISK**

The Company competes on a global scale and therefore any change in the local existing tax regimes could put the Company at competitive disadvantage, and reduce its ability to compete on a level playing field.

**FUTURE DEVELOPEMENTS**

The Company is seeking to gain operational efficiencies through appropriate technology investments in workflow and management of our learning content as well as the processes for the management of physical print material, the long term goal being to go to a print on demand process model.

Approved by the Board and signed on its behalf by:



G Gaddes  
Director

Date 18 December 2018

## DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended to 31 August 2018.

Information about the Company's performance, outlook, strategy, policies, proposed dividends and risk and uncertainties can be found in the strategic report.

### GOING CONCERN

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Company financial statements (see note 1 for further details).

### DIRECTORS

The directors who served during the year or were subsequently appointed are set out below:

A Wells

G Gaddes (Appointed 06/02/2018)

G Dart (Appointed 06/02/2018)

T Stewart (Resigned 06/02/2018)

K Rice (Resigned 29/09/2017)

### 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. The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### RE-APPOINTMENT OF THE AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by



G Gaddes  
Director

Date:

18 December 2018

**DIRECTORS' RESPONSIBILITIES STATEMENT**

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), including FRS 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BPP LEARNING MEDIA LIMITED**

**Opinion**

In our opinion the financial statements of BPP Learning Media (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 19.

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).

***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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have 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.

We have nothing to report in respect of these matters.

***Other information***

The directors are responsible for the other information. The other information comprises the information included in the report of the Directors, other than the financial statements and our auditor's report thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BPP LEARNING MEDIA LIMITED (CONTINUED)**

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 respect of these matters.

***Responsibilities of directors***

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

***Auditor'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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

***Report on other legal and regulatory requirements***

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BPP LEARNING  
MEDIA LIMITED (CONTINUED)

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

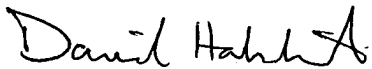
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

***Use of our report***

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Halstead FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
St Albans, United Kingdom

Date: 18 December 2018

## BPP Learning Media Limited

### PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2018

	Notes	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
<b>Turnover</b>	3	14,345	15,613
Cost of sales		(10,958)	(12,602)
<b>Gross profit</b>		3,387	3,011
Administrative expenses		(5,720)	(7,903)
<b>Operating loss</b>	4	(2,333)	(4,892)
Interest income	5	453	420
<b>Loss on ordinary activities before taxation</b>		(1,880)	(4,472)
Tax on loss on ordinary activities	8	(55)	242
<b>Loss for the year</b>		(1,935)	(4,230)
<b>Total comprehensive loss for the year</b>		(1,935)	(4,230)

All of the activities of the Company are classed as continuing.

There were no recognised gains or losses other than the loss for the year of £1,935,000 (2017: £4,230,000).

Notes on pages 12-19 form part of these financial statements.

# BPP Learning Media Limited

## BALANCE SHEET

As at 31 August 2018

	Notes	31 August 2018 £'000	31 August 2017 £'000
<b>Fixed assets</b>			
Intangible assets	9	14,432	16,838
Tangible assets	10	-	-
		<u>14,432</u>	<u>16,838</u>
<b>Current assets</b>			
Stock	11	452	533
Debtors: amounts falling due within one year	12	19,506	21,227
Cash at bank and in hand		739	720
		<u>20,697</u>	<u>22,480</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(1,462)	(3,830)
<b>Net current assets</b>		<u>19,235</u>	<u>18,650</u>
Debtors: amounts falling due after more than one year	13	258	372
<b>Total assets less current liabilities</b>		<u>33,925</u>	<u>35,860</u>
<b>Net assets</b>		<u>33,925</u>	<u>35,860</u>
<b>Capital and reserves</b>			
Called-up share capital	16	421	421
Share premium account		39,379	39,379
Profit and loss account		(5,875)	(3,940)
<b>Total shareholder's funds</b>		<u>33,925</u>	<u>35,860</u>

Notes on pages 12-19 form part of these financial statements.

The financial statements of BPP Learning Media Limited were approved by the board of directors and authorised for issue and signed on their behalf by:



G Dart  
Director

Date: 18 December 2018

## BPP Learning Media Limited

### STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2018

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
<b>Balance at 1 September 2016</b>	421	39,379	290	40,090
Total comprehensive loss for the year ended 31 August 2017	-	-	(4,230)	(4,230)
<b>As at 31 August 2017</b>	421	39,379	(3,940)	35,860
Total comprehensive loss for the year ended 31 August 2018	-	-	(1,935)	(1,935)
<b>As at 31 August 2018</b>	421	39,379	(5,875)	33,925

**NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

***General information and basis of preparation***

BPP Learning Media Limited is a private company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report on page 2.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issue by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also in pounds sterling.

The Company is consolidated within the financial statements of Socrates Global Parent Limited, a Company incorporated in the United Kingdom. Copies of Socrates Global Parent Limited's financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

BPP Learning Media Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements.

Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

***Going concern***

The Company's business activities, together with the factors likely to affect its future development and position, are set out on page 2 in the Strategic Report.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its UK parent BPP Holdings Limited and fellow subsidiaries.

BPP Holdings Limited has committed that it will loan as is necessary to this entity to pay their debts as they become due for a period up to 30 June 2020. Having assessed the responses of the directors of BPP Holdings Limited, the directors of the Company have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BPP Learning Media Limited to continue as a going concern.

On the basis of its assessment of the Company's financial position and of the enquiries made of the directors of BPP Holdings Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

***Financial assets and liabilities***

Financial assets and liabilities are recognised when the Company enters into a contractual agreement. They are recognised at transaction cost and presented as debtors or creditors in the financial statements.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**1. ACCOUNTING POLICIES (CONTINUED)*****Revenue recognition***

Revenue represents the invoiced amount of goods and services provided. Revenue is recognised as follows:

*Sales of goods:* Sales of goods are recognised when the Company has delivered goods to the customer; the customer has accepted the goods; and collectability of the related receivable is reasonably assured.

Deferred revenue represents amounts invoiced for which the goods will be provided in future years.

***Pension policy***

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

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The directors deem that there were no critical judgements in applying the Company's accounting policies and no key source of estimation uncertainty involved in these financial statements.

**3. TURNOVER AND SEGMENTAL ANALYSIS**

Turnover represents the invoiced amount of goods and services provided during the year, stated net of VAT. Amounts invoiced but unearned at the year end are treated as deferred revenue.

The Company operates in three geographical markets; the United Kingdom, Europe and the Rest of the World.

An analysis of turnover is provided below:

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
United Kingdom	10,684	11,391
Europe	597	570
Rest of the World	3,064	3,652
	14,345	15,613

**4. (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

(Loss) on ordinary activities before taxation is stated after charging:

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
Amortisation of intangibles	2,405	2,405
Cost of stock recognised as an expense	1,312	1,512
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	43	33

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 5. INTEREST INCOME

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
Interest on intercompany balances	453	420
	453	420

## 6. STAFF COSTS

Staff costs during the year amounted to:

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
Wages and salaries	2,593	2,780
Social security costs	225	274
Other pension costs	94	90
	2,912	3,144

The Company provides a defined contribution pension plan to its employees. The pension plan is administered by an external pension provider. The Company is required to contribute a specified percentage of payroll costs to the scheme to fund the benefit and has no other obligation under the scheme other than to make the required contributions.

The monthly average number of employees during the year was:

	Year Ended 31 August 2018 No.	Year Ended 31 August 2017 No.
Authors	48	52
Administrative	24	26
	72	78

## 7. DIRECTORS' REMUNERATION

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
Emoluments	127	124
Company contribution to pension schemes	6	5
	132	129

The amount in respect of the highest paid director:

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
Emoluments	45	124
Company contribution to pension schemes	2	5
	47	129



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 7. DIRECTORS' REMUNERATION (CONTINUED)

The directors of the Company are also directors of other BPP Holdings Limited subsidiaries. The director's emoluments are allocated to the relevant entities based on qualifying services. The amount remunerated to directors of the Company by its subsidiaries and not included in Directors' emoluments disclosed above was £746,000 (2017: £1,549,000). In addition, all of the directors are accruing benefits under the BPP Holdings Limited group pension scheme, which is a defined contribution scheme, in respect of their services to the group Companies. This is included in amount remunerated to directors of the Company's subsidiaries above.

## 8. TAX ON LOSS ON ORDINARY ACTIVITIES

## (a) Analysis of charge/(credit) in the year

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
UK corporation tax	-	-
Tax in prior year	(117)	117
Group relief payable	58	(384)
	(59)	(267)
Deferred tax (note 14):		
Origination and reversal of timing differences – current-year	53	-
Origination and reversal of timing differences – prior-year	67	3
Decrease in tax rate	(6)	22
	114	25
<b>Tax charge/(credit) in the period</b>	<b>55</b>	<b>(242)</b>

## (b) Factors affecting total tax charge/(credit) for year

The tax assessed on the profit on ordinary activities for the year is different from the standard rate of corporation tax in the UK. The differences are explained below.

	Year Ended 31 August 2018 £'000	Year Ended 31 August 2017 £'000
Loss on ordinary activities before tax	(1,880)	(4,472)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2017: 19.58%)	(357)	(876)
Effect of:		
Disallowed expenses	457	471
Depreciation (below)/in excess of capital allowances	(61)	-
Adjustments in respect of prior years	(117)	117
Deferred tax timing difference	114	3
Change in tax rate	(6)	22
Other timing differences	25	21
<b>Total tax charge/(credit) in the period</b>	<b>55</b>	<b>(242)</b>

The Finance Act 2016 was enacted on 15 September 2016 meaning that the main rate of UK Corporation Tax will be reduced to 19% for the years starting the 1 April 2017, 2018 and 2019 and 17% from 1 April 2020.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 9. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Total £'000
<i>Cost</i>		
At 1 September 2017	39,010	39,010
At 31 August 2018	39,010	39,010
<i>Amortisation</i>		
At 1 September 2017	(22,173)	(22,173)
Provided during the year	(2,405)	(2,405)
At 31 August 2018	(24,578)	(24,578)
<i>Net book value</i>		
At 31 August 2018	14,432	14,432
At 31 August 2017	16,838	16,838

**Goodwill**

Goodwill relates to former subsidiaries that were hived up into this Company.

## 10. TANGIBLE ASSETS

	Office Equipment £'000	Total £'000
<i>Cost</i>		
At 1 September 2017	64	64
Disposals	(1)	(1)
At 31 August 2018	63	63
<i>Depreciation</i>		
At 1 September 2017	64	64
Provided during the year	-	-
Disposals	(1)	(1)
At 31 August 2018	63	63
<i>Net book value</i>		
At 31 August 2018	-	-
At 31 August 2017	-	-

## 11. STOCKS

	2018 £'000	2017 £'000
Finished goods – books held for resale	452	533
	<u>452</u>	<u>533</u>

Finished goods and work in progress recognised as cost of sales in the year amounted to £452,000 (2017: £533,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. DEBTORS - Amounts falling due within one year

	2018 £'000	2017 £'000
Trade receivables	1,594	2,589
Amounts due from parent undertakings	14,982	15,833
Amounts due from fellow subsidiaries	1,249	1,214
Intercompany in respect of Group Corporation Tax Relief	534	468
Other taxes	38	-
Other debtors	3	6
Prepayments and accrued income	1,106	1,117
	<b>19,506</b>	<b>21,227</b>

12. DEBTORS - Amounts falling due within one year (continued)

Interest is receivable on intercompany loans to the Company's Parent Company at a variable rate of LIBOR + 1.75% on the principal amount.

13. DEBTORS - Amounts falling due after more than one year

	2018 £'000	2017 £'000
Deferred tax asset (see note 14)	258	372

14. DEFERRED TAX ASSET

	2018 £'000	2017 £'000
As at 1 September	372	396
Arising in the year	(114)	(24)
As at 31 August	<b>258</b>	<b>372</b>

*The amounts provided are as follows:*

Depreciation in advance of capital allowances	250	372
Other timing differences	8	-
As at 31 August	<b>258</b>	<b>372</b>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	272	955
Amounts due to parent undertakings	45	-
Amounts due to fellow subsidiaries	249	959
Intercompany in respect of Group Corporation Tax Relief	-	126
Other creditors	29	19
Fees received in advance	189	60
Accruals and deferred revenue	678	1,711
	<b>1,462</b>	<b>3,830</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**16. CALLED-UP SHARE CAPITAL**

	2018 £'000	2017 £'000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
Preference shares of £0.01 each	42,096	42,096

The preference shares are irredeemable and carry no voting rights. The preference shares carry the right to a cumulative floating rate dividend, of LIBOR + 4.36% on the issue price, payable annually solely at the discretion of the directors.

On a winding up of the Company, the preference shareholders have a right to receive, in preference to payments to the ordinary shareholders, the nominal value paid up on the irredeemable shares plus any accrued dividend. The preference shareholders will also receive £0.99 per each irredeemable preference share held at the date of winding up.

**17. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption allowed in FRS102 33.1 and has not disclosed details of related party transactions with 100% owned entities within the Group.

**18. OTHER FINANCIAL COMMITMENTS**

The Company had no annual commitments under non-cancellable operating leases (2017: £nil).

**19. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARENT UNDERTAKING**

In the opinion of the directors, the Company's ultimate parent is Apollo Global Management, LLC, a Company incorporated in United States. The parent undertaking of the largest group, which includes the Company and for which group accounts are prepared, is Socrates Global Parent Limited, a Company incorporated in Great Britain with a registered office of Eversheds House, 70 Great Bridgewater Street, Manchester, United Kingdom, M1 5ES. Copies of the group financial statements of Socrates Global Parent Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. The Company's immediate controlling party is BPP Services Limited.