

Company Registration No. 06158047 (England and Wales)

GREY MATTER LEARNING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

GREY MATTER LEARNING LIMITED

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GREY MATTER LEARNING LIMITED**BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	4		66,637		84,490
Tangible assets	5		5,289		7,052
			<u>71,926</u>		<u>91,542</u>
Current assets					
Debtors	6	104,408		86,953	
Cash at bank and in hand		264,009		116,150	
		<u>368,417</u>		<u>203,103</u>	
Creditors: amounts falling due within one year	7	(204,508)		(92,837)	
Net current assets			<u>163,909</u>		<u>110,266</u>
Total assets less current liabilities			235,835		201,808
Creditors: amounts falling due after more than one year	8	(45,493)		-	
Provisions for liabilities			<u>(12,064)</u>		<u>(17,392)</u>
Net assets			<u>178,278</u>		<u>184,416</u>
Capital and reserves					
Called up share capital	9		90		90
Profit and loss reserves			<u>178,188</u>		<u>184,326</u>
Total equity			<u>178,278</u>		<u>184,416</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

GREY MATTER LEARNING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 21 December 2021 and are signed on its behalf by:

Mr E Price
Director

Company Registration No. 06158047

GREY MATTER LEARNING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2019		135	144,189	144,324
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	258,337	258,337
Dividends		-	(120,500)	(120,500)
Own shares acquired		-	(97,700)	(97,700)
Reduction of shares	9	(45)	-	(45)
Balance at 31 March 2020		90	184,326	184,416
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	70,757	70,757
Dividends		-	(75,000)	(75,000)
Own shares acquired		-	(1,895)	(1,895)
Balance at 31 March 2021		90	178,188	178,278

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Grey Matter Learning Limited is a private company limited by shares incorporated in England and Wales. The registered office is Switch House, Suite B2, First Floor, Northern Perimeter Road, Bootle, Liverpool, L30 7PT.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and 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 immediate UK holding Company is Progress Group Holdings Limited, a Company registered in England & Wales. On 22 January 2021 Progress Group Holdings Limited acquired the Company and consolidated financial statements are prepared, in which the Company is included. These financial statements can be obtained from Switch House Suite B2, First Floor Northern Perimeter Road, Bootle, United Kingdom, L30 7PT. The ultimate worldwide holding company, from 3 July 2020, is Bankers Life Insurance Company, a company incorporated in United States of America, on its acquisition of Progress Group Holdings Limited.

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that, with the support of its holding company, beneficial owner and main funder, the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

At 31 March 2021, the Company is in an overall profitable position with adequate cash reserves and forward order book. After making enquiries, the Directors have a reasonable expectation that the Company has adequate access to financial resources from its group undertakings to continue in existence for the foreseeable future. The group has greater than 12 months of a facility agreement remaining, along with additional cash-flow funding approved, enabling it to be able to deliver its business plan.

The Group has continued to be resilient to COVID-19, with Progress Schools Limited, Careers Inc Limited, Grey Matter Learning Limited and Prepare to Achieve Limited having seen a negligible financial impact through being able to continue trade in a variety of COVID compliant ways. The most impacted entities, Innovative Alliance Limited and Complete Training Solutions Limited recommenced operations during May 2020 and trade in the intervening period has been behind budget, management have enacted a strategic plan to ensure the company performs in line with expectation from the start of the new financial year in April 2022. In the light of the recent pandemic and subsequent economic impact, the training and education market is likely to see opportunities over the next 2-3 years and we reasonably do not expect any medium term adverse impact to our Group.

1.3 Turnover

Revenue is recognised by the Company in respect of the provision of Social Care e-learning and is recognised prior to completion of the course, exclusive of Value Added Tax.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	4 years straight line
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1.5 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:

Fixtures and fittings	25% reducing balance
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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.

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.6 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.

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.

1.7 Cash and cash equivalents

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

1.8 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.

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.

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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.

1.9 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.

1.10 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 year. 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.

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 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.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Exceptional item

	2021	2020
	£	£
Expenditure		
Exceptional item - reverse balances on completion	(16,721)	-
	<u> </u>	<u> </u>

3 Employees

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

	2021	2020
	Number	Number
Total	7	12
	<u> </u>	<u> </u>

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2020	132,920
Additions	12,782
	<hr/>
At 31 March 2021	145,702
	<hr/>
Amortisation and impairment	
At 1 April 2020	48,430
Amortisation charged for the year	30,635
	<hr/>
At 31 March 2021	79,065
	<hr/>
Carrying amount	
At 31 March 2021	66,637
	<hr/> <hr/>
At 31 March 2020	84,490
	<hr/> <hr/>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2020 and 31 March 2021	47,026
	<hr/>
Depreciation and impairment	
At 1 April 2020	39,974
Depreciation charged in the year	1,763
	<hr/>
At 31 March 2021	41,737
	<hr/>
Carrying amount	
At 31 March 2021	5,289
	<hr/> <hr/>
At 31 March 2020	7,052
	<hr/> <hr/>

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	68,903	86,931
Corporation tax recoverable	31,813	-
Other debtors	3,692	22
	<hr/>	<hr/>
	104,408	86,953
	<hr/> <hr/>	<hr/> <hr/>

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Debtors (Continued)

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	4,507	-
Trade creditors	11,446	44,663
Amounts owed to group undertakings	22	-
Corporation tax	-	1,220
Other taxation and social security	79,422	38,915
Other creditors	109,111	8,039
	<u>204,508</u>	<u>92,837</u>

Amounts owed to group undertakings are interest free and payable on demand.

Included within other creditors is £502 (2020: £nil) in respect of outstanding pension contributions.

8 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	45,493	-
	<u>45,493</u>	<u>-</u>

Bank loans of £50,000 are in relation to the Bounce Back Loan Scheme (BBLs). The £50,000 loan is unsecured and does not need to be repaid for the first 12 months, it is then repaid over five years with the last repayment due in 2026. The loan incurs interest of 2.50% per annum with the first year interest covered by the UK government in the form of a Business Interruption Payment.

9 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	90	90	90	90
	<u>90</u>	<u>90</u>	<u>90</u>	<u>90</u>

10 Operating lease commitments

Lessee

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

	2021 £	2020 £
	-	16,208
	<u>-</u>	<u>16,208</u>

GREY MATTER LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Related party transactions

The Company has taken advantage of the exemption within FRS 102 paragraph 33.1A regarding disclosing transactions with group Companies.

12 Directors' transactions

Dividends totalling £75,000 (2020 - £120,500) were paid in the year in respect of shares held by the company's directors. These directors are no longer directors of the Company after its acquisition by Progress Group Holdings Limited on 22 January 2021.

13 Parent company

The ultimate holding company is Bankers Life Insurance Company, a company incorporated in United States of America. The immediate UK holding Company is Progress Group Holdings Limited, a Company registered in England & Wales.

On 22 January 2021 Progress Group Holdings Limited acquired the Company and consolidated financial statements are prepared, in which the Company is included. These financial statements can be obtained from Switch House Suite B2, First Floor Northern Perimeter Road, Bootle, United Kingdom, L30 7PT.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.