

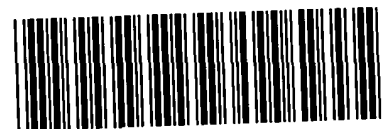
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**HERTS FOR LEARNING LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

THURSDAY



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18/08/2022

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COMPANIES HOUSE

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## HERTS FOR LEARNING LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Paula Lee Clarke Andrew Béla de Csilléry Catherine Janet Glickman Bethany Jane Honnor Stephen George Houlst-Allen Paul John Layzell (appointed 1 April 2022) Nicholas Ryan Novak Cynthia Eluku Nyamkeh Rowe Jeremy Mark Scott (appointed 30 March 2022) Natalie Gilda Wickens Joanne Fisher (resigned 31 July 2021) Gavin John Flynn (resigned 29 March 2022) Faisal Arshad Mir (resigned 6 May 2022) Andrew Wellbeloved (resigned 29 March 2022)
<b>Company secretary</b>	Lynette Jane Dexter
<b>Registered number</b>	08419581
<b>Registered office</b>	Robertson House, Six Hills Way Stevenage Hertfordshire SG1 2FQ
<b>Independent auditor</b>	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP
<b>Solicitors</b>	Michelmores LLP Pynes Hill Exeter Devon EX2 5WR

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## HERTS FOR LEARNING LIMITED

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## HERTS FOR LEARNING LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

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#### Introduction

The principal activity of the Company during the year was the provision of education and business services to schools, academies, Early Years settings and Hertfordshire County Council.

#### Business review

Service provision was less severely disrupted by the COVID-19 pandemic than the previous year, and we have outperformed against the financial targets that we set for the year. Income came back well from the COVID-19 disruption of 2020-21 and our operating profit was above budget in 2021-22. We ended the year with strong cash reserves of more than £5.2m, and an overall reserve position of £3.8m (16.4% of turnover).

This strong financial performance has enabled us to invest in Common Good activities to the benefit of all shareholder schools. In particular we have progressed our work on anti-racism by issuing each shareholder with a £220 book token under our 'Grow your Library' campaign to increase the diversity of literature available in schools.

Our blended service delivery model continues to be dominated by digital delivery of training, conferences and consultancy although, with fewer COVID-19 restrictions in place over this financial period, we have also been able to deliver more face-to-face work this year. We expect this trend to continue, but we will monitor feedback to ensure that schools and settings are able to access the services in the way that works best for them.

As we move forward, we will continue to focus on our 'Thrive Local' priority, but also have plans to grow our customer base on a national basis. This is aimed at ensuring that we remain financially strong in the future, by setting us up to overcome challenges presented by intensifying financial pressures in schools and settings and responding to other risks outlined below.

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## HERTS FOR LEARNING LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Principal risks and uncertainties

The principal risks facing the Company are financial.

##### Financial risks:

The Company is in a favourable position with strong cash reserves, but the disruption caused by school closures due to COVID-19 has impacted our income lines significantly, particularly for Pay as You Use (PAYU) services such as face-to-face training and events. The extensive financial modelling that we undertook over the course of 2020-21 enabled us to respond appropriately to these challenges and, by delivering services digitally wherever possible, we significantly reduced our cost base, offsetting the reduction in income. We have seen income recover well in 2021-22. By continuing to operate through digital channels, our cost base remains lower than in earlier years and provides us with new opportunities to increase our market reach beyond our traditional Hertfordshire customer base.

##### Price risks:

The company has reduced its exposure to service price risk by agreeing pricing structures with customers, and by following competitive procurement processes with suppliers.

##### Liquidity risk:

The Company's policy is to ensure working capital is managed so as to maintain substantial cash balances. The Company's close working relationships with its customers assist in this regard, with the majority of its core customers paying for services via Direct Debit arrangements with the Company. Our ability to reduce our cost base in response to COVID-19 disruption has enabled us to offset any loss of income with a reduction in business expenditure, thereby minimising the impact on the Company's working capital position.

##### Risk relating to government policy:

Government policy has a significant influence on the spending power of the Company's customer base and changing demands for services. We work hard to ensure our services evolve in line with changes in policy and represent good value for money for our customers. COVID-19 has had a less important impact on our work in 2021-22, but there are still times when work has had to be deferred due to staff shortages or illness in schools. The recent Education White and Green papers, and subsequent Education Bill, are likely to have an impact on our work. However, as the details and timing of changes remain unclear, we continue to adapt our services to ensure we meet the needs of all schools whatever their governance status. School funding, particularly in the context of rising costs, continues to be a concern and a constraint on their ability to buy our products and services, so we must ensure that we deliver value for money alongside high impact of our services.

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## HERTS FOR LEARNING LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### **Financial key performance indicators**

We monitor financial performance against a set of KPIs in our monthly management accounts.

With our strong response to the pandemic, our income increased by circa 5% and we exceeded our budgeted income targets. Our cost control remained strong such that we were on track against budget on our expenditure lines and we were therefore able to report an operating profit above budget.

We ended the year with healthy cash reserves of more than £5.2m.

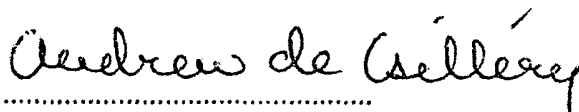
This strong financial performance has enabled us to invest in Common Good activities to the benefit of all shareholder schools. In particular, we have progressed our work on anti-racism by issuing each shareholder with a book token under our 'Grow your Library' campaign to improve the diversity of literature available in schools.

Our blended service delivery model continues to be dominated by digital delivery of training, conferences and consultancy although, with few COVID-19 restrictions in place over this financial period, we have also been able to deliver more face-to-face work this year.

#### **Other key performance indicators**

We monitor the impact of our business through the tracking of the performance of schools and settings in Hertfordshire via a range of measures, including Ofsted outcomes and statutory exam and test results.

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



.....  
**Andrew Béla de Csilléry**  
Director

Date: 8th July 2022

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## HERTS FOR LEARNING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their report and the financial statements for the year ended 31 March 2022.

#### **Directors' responsibilities statement**

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

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

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

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

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £225,992 (2021 - £21,058).

No ordinary dividends were paid in the year (2021: £nil).

#### **Directors**

The directors who served during the year were:

Paula Lee Clarke  
Andrew Béla de Csilléry  
Catherine Janet Glickman  
Bethany Jane Honnor  
Stephen George Hault-Allen  
Nicholas Ryan Novak  
Cynthia Eluku Nyamkeh Rowe  
Jeremy Mark Scott (appointed 30 March 2022)  
Natalie Gilda Wickens  
Joanne Fisher (resigned 31 July 2021)  
Gavin John Flynn (resigned 29 March 2022)  
Faisal Arshad Mir (resigned 6 May 2022)  
Andrew Wellbeloved (resigned 29 March 2022)

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## HERTS FOR LEARNING LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Future developments

The Company has put in place a strategy that will enable the Company to grow and which mitigates the risks prevalent in the education environment. We will continue to focus on our shareholder customers through the 'Thrive Local' strand of that strategy, but will also seek to expand our customer base through the 'Grow National' strand with digital services that can be delivered remotely. We will also be better defining our products and services for the Multi-Academy Trust customer base. Underpinning this strategy, we are improving our internal operations to enable us to continue to deliver first class services.

#### Engagement with employees

During the year the Company has systematically provided employees with information on matters of concern to them as employees. Employees or their representatives are consulted on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests and to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Company.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

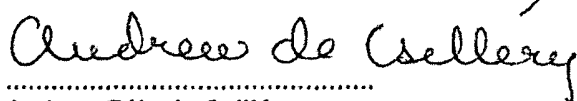
#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

#### Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....  
**Andrew Béla de Csilléry**  
Director

Date: 8th July 2022



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## HERTS FOR LEARNING LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS FOR LEARNING LIMITED

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#### Opinion

We have audited the financial statements of Herts for Learning Limited (the 'Company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

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## HERTS FOR LEARNING LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS FOR LEARNING LIMITED (CONTINUED)

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#### Other information

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

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

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## HERTS FOR LEARNING LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS FOR LEARNING LIMITED (CONTINUED)

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#### **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.

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

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

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

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

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HERTS FOR LEARNING LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HERTS FOR LEARNING LIMITED  
(CONTINUED)

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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 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.

*Hillier Hopkins LLP*

Elizabeth Wicks ACA (Senior Statutory Auditor)

for and on behalf of  
**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP  
Date: 20 July 2022

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HERTS FOR LEARNING LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2022

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	Note	2022 £	2021 £
Turnover	4	23,343,514	22,238,707
Cost of sales		(20,164,892)	(17,197,365)
<b>Gross profit</b>		<b>3,178,622</b>	<b>5,041,342</b>
Administrative expenses		(2,878,477)	(5,200,229)
Other operating income		-	171,619
<b>Operating profit</b>		<b>300,145</b>	<b>12,732</b>
Interest receivable and similar income		7,275	13,265
<b>Profit before tax</b>		<b>307,420</b>	<b>25,997</b>
Tax on profit		(81,428)	(4,939)
<b>Profit for the financial year</b>		<b>225,992</b>	<b>21,058</b>

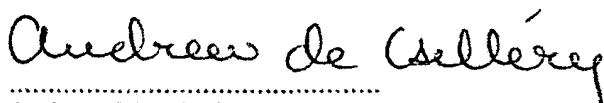
The notes on pages 15 to 27 form part of these financial statements.

**HERTS FOR LEARNING LIMITED**  
**REGISTERED NUMBER: 08419581**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	11	14,030	80,799
Tangible assets	12	105,149	119,122
		<u>119,179</u>	<u>199,921</u>
<b>Current assets</b>			
Stocks	13	164,619	201,682
Debtors: amounts falling due within one year	14	1,629,558	2,079,285
Cash at bank and in hand	15	5,253,597	4,485,780
		<u>7,047,774</u>	<u>6,766,747</u>
Creditors: amounts falling due within one year	16	(3,301,199)	(3,347,009)
<b>Net current assets</b>		<u>3,746,575</u>	<u>3,419,738</u>
<b>Total assets less current liabilities</b>		<u>3,865,754</u>	<u>3,619,659</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	(19,978)	-
<b>Net assets</b>		<u><u>3,845,776</u></u>	<u><u>3,619,659</u></u>
<b>Capital and reserves</b>			
Called up share capital		16,175	16,050
Capital redemption reserve		225	225
Profit and loss account		3,829,376	3,603,384
		<u><u>3,845,776</u></u>	<u><u>3,619,659</u></u>

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



**Andrew Béla de Csilléry**  
 Director

Date: 8th July 2022

The notes on pages 15 to 27 form part of these financial statements.

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**HERTS FOR LEARNING LIMITED**

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

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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	<b>16,050</b>	<b>225</b>	<b>3,582,326</b>	<b>3,598,601</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	21,058	21,058
<b>At 1 April 2021</b>	<b>16,050</b>	<b>225</b>	<b>3,603,384</b>	<b>3,619,659</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	225,992	225,992
Shares issued during the year	125	-	-	125
<b>At 31 March 2022</b>	<b>16,175</b>	<b>225</b>	<b>3,829,376</b>	<b>3,845,776</b>

The notes on pages 15 to 27 form part of these financial statements.

**HERTS FOR LEARNING LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	225,992	21,058
<b>Adjustments for:</b>		
Amortisation of intangible assets	66,768	69,119
Depreciation of tangible assets	63,691	47,392
Interest received	(7,275)	(13,265)
Taxation charge	81,428	4,939
Decrease/(increase) in stocks	37,063	(127,933)
Decrease/(increase) in debtors	446,508	(289,055)
Increase in creditors	29,440	493,248
(Decrease)/increase in amounts owed to groups	(133,480)	-
Loss on disposal of intangible assets	-	17,000
Income taxes paid	-	(167,521)
<b>Net cash generated from operating activities</b>	<b>810,135</b>	<b>54,982</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(49,718)	(117,743)
Interest received	7,275	13,265
<b>Net cash from investing activities</b>	<b>(42,443)</b>	<b>(104,478)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	125	-
<b>Net cash used in financing activities</b>	<b>125</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>767,817</b>	<b>(49,496)</b>
Cash and cash equivalents at beginning of year	4,485,780	4,535,276
<b>Cash and cash equivalents at the end of year</b>	<b>5,253,597</b>	<b>4,485,780</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,253,597	4,485,780
	<b>5,253,597</b>	<b>4,485,780</b>

The notes on pages 15 to 27 form part of these financial statements.



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**HERTS FOR LEARNING LIMITED**

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**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2022**

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	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	4,485,780	767,817	5,253,597
	<u>4,485,780</u>	<u>767,817</u>	<u>5,253,597</u>

The notes on pages 15 to 27 form part of these financial statements.

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. General information

Herts for Learning Limited is a private company limited by shares incorporated in England and Wales. The registered office is Robertson House SROB218, Six Hills Way, Stevenage, Hertfordshire, England, SG1 2FQ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

##### 2.5 Intangible assets

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

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

The estimated useful lives range as follows:

Digital assets	-	3	years
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##### 2.6 Tangible fixed assets

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

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Computer equipment	-	33%
Other fixed assets	-	33%

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

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

##### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 2.11 Pensions

###### Defined contribution pension plan

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

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

###### Defined benefit pension scheme

The Company participates in a multiple employer Defined benefit pension scheme, the Local Government Pension Scheme (LGPS). During the period the terms of the Admission Agreement by which the company joined the scheme were varied and the company has agreed to continue to make a contribution of £225,000 per annum in addition to its normal contributions to the scheme until 31 March 2023 as a payment in lieu of bond regarding the company's share of any deficit arising in the scheme. The terms of the varied Admission Agreement state that through the additional contribution the responsibility for unfunded pension and benefit liabilities that now arise until 31 March 2023 rest with Hertfordshire County Council. As such, the scheme has been accounted for as a defined contribution pension scheme.

##### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

##### 2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgments, 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 revision and future periods where the revision affects both current and future periods.

#### 4. Turnover

	2022 £	2021 £
Sales	<u>23,343,514</u>	<u>22,238,707</u>

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2022 £	2021 £
Other operating income	<u>-</u>	<u>171,619</u>

#### 6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>11,000</u>	<u>10,000</u>

#### Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	2,000	2,250
All other services	1,750	1,950
	<u>3,750</u>	<u>4,200</u>

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £	As restated 2021 £
Wages and salaries	12,529,118	11,798,460
Social security costs	1,354,871	1,249,116
Pension costs	1,943,387	1,841,512
	<u>15,827,376</u>	<u>14,889,088</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	As restated 2021 No.
Management and administration	44	41
Service Delivery	417	407
	<u>461</u>	<u>448</u>

The comparative for wages and salaries and pension costs have been restated to allow for the LGPS contribution to be recorded in pension costs and ensure consistent reporting with the current year. The comparative for employee numbers have been restated to ensure consistent reporting with the current year. There is no impact on the profit or loss or net assets for the comparative year.

#### 8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	167,640	160,887
Company contributions to defined contribution pension schemes	16,764	16,089
	<u>184,404</u>	<u>176,976</u>

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

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**HERTS FOR LEARNING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**9. Interest receivable**

	2022 £	2021 £
Other interest receivable	7,275	13,265
	<u>7,275</u>	<u>13,265</u>

**10. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	58,231	(13,243)
<b>Total current tax</b>	<u>58,231</u>	<u>(13,243)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	23,197	18,182
<b>Total deferred tax</b>	<u>23,197</u>	<u>18,182</u>
<b>Taxation on profit on ordinary activities</b>	<u>81,428</u>	<u>4,939</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	307,420	25,997
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	58,410	4,939
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	(179)	-
Other timing differences leading to an increase (decrease) in taxation	23,197	-
<b>Total tax charge for the year</b>	<u>81,428</u>	<u>4,939</u>



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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 10. Taxation (continued)

##### Factors that may affect future tax charges

On 3 March 2021 the Chancellor of the Exchequer announced an increase in the main rate of UK corporation tax to 25% for businesses with profits greater than £250,000. Businesses with profits of £50,000 or less will continue to be taxed at 19% with marginal relief for profits up to £250,000. These changes were substantially enacted on 25 May 2021 and will take effect from 1 April 2023.

#### 11. Intangible assets

	Digital assets £
<b>Cost</b>	
At 1 April 2021	306,066
At 31 March 2022	<u>306,066</u>
<b>Amortisation</b>	
At 1 April 2021	225,267
Charge for the year on owned assets	66,768
At 31 March 2022	<u>292,035</u>
<b>Net book value</b>	
At 31 March 2022	<u>14,031</u>
At 31 March 2021	<u>80,799</u>

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**HERTS FOR LEARNING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**12. Tangible fixed assets**

	Computer equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	361,722	-	361,722
Additions	48,074	1,644	49,718
Disposals	(177,857)	-	(177,857)
At 31 March 2022	<u>231,939</u>	<u>1,644</u>	<u>233,583</u>
<b>Depreciation</b>			
At 1 April 2021	242,600	-	242,600
Charge for the year on owned assets	63,691	-	63,691
Disposals	(177,857)	-	(177,857)
At 31 March 2022	<u>128,434</u>	<u>-</u>	<u>128,434</u>
<b>Net book value</b>			
At 31 March 2022	<u>103,505</u>	<u>1,644</u>	<u>105,149</u>
At 31 March 2021	<u>119,122</u>	<u>-</u>	<u>119,122</u>

**13. Stocks**

	2022 £	2021 £
Finished goods and goods for resale	<u>164,619</u>	<u>201,682</u>

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HERTS FOR LEARNING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**14. Debtors**

	2022 £	2021 £
Trade debtors	822,830	901,320
Other debtors	11,671	5,205
Prepayments and accrued income	781,814	1,156,298
Tax recoverable	13,243	13,243
Deferred taxation	-	3,219
	<u>1,629,558</u>	<u>2,079,285</u>

**15. Cash and cash equivalents**

	2022 £	2021 £
Cash at bank and in hand	<u>5,253,597</u>	<u>4,485,780</u>

**16. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	492,434	802,623
Amounts owed to group undertakings	-	133,481
Corporation tax	58,231	-
Other taxation and social security	670,308	791,902
Other creditors	189,944	193,058
Accruals and deferred income	1,890,282	1,425,945
	<u>3,301,199</u>	<u>3,347,009</u>

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 17. Deferred taxation

	2022 £
At beginning of year	3,219
Charged to profit or loss	(23,197)
<b>At end of year</b>	<b>(19,978)</b>

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(19,978)	(22,632)
Other timing differences	-	25,851
	<b>(19,978)</b>	<b>3,219</b>

#### 18. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
126 (2021 - 126) Ordinary A shares of £25 each shares of £25.00 each	3,150	3,150
81 (2021 - 79) Ordinary B shares of £25 each shares of £25.00 each	2,025	1,975
414 (2021 - 411) Ordinary C shares of £25 each shares of £25.00 each	10,350	10,275
26 (2021 - 26) Ordinary D shares of £25 each shares of £25.00 each	650	650
	<b>16,175</b>	<b>16,050</b>

On 29th March 2022, two Ordinary B shares issued in the year at par value.

On 25th, 26th and 29th May 2021 three Ordinary C shares issued in the year at par value.

#### 19. Reserves

##### Capital redemption reserve

This reserve records the nominal value of shares repurchased by the Company.

##### Profit and loss account

This reserve records the amount of profit after tax retained by the Company and not paid out as dividends.

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund.

Contributions totalling £84,653 (2021 - £113,208) were payable to the fund at the balance sheet date and are included in creditors.

The Company participates in a multiple employer Defined Benefit Pension Scheme, the Local Government Pension Scheme (LGPS). During the period the terms of the Admission Agreement by which the company joined the scheme were varied and the company has agreed to continue to make a contribution of £225,000 per annum in addition to its normal contributions to the scheme until 31 March 2023 as a payment in lieu of bond regarding the company's share of any deficit arising in the scheme. The terms of the varied Admission Agreement state that through the additional contribution the responsibility for unfunded pension and benefit liabilities that now arise until 31 March 2023 rest with Hertfordshire County Council. As such, the scheme has been accounted for as a defined contribution pension scheme.

#### 21. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	325,902	204,306
Later than 1 year and not later than 5 years	-	931
	<u>325,902</u>	<u>205,237</u>

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## HERTS FOR LEARNING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 22. Related party transactions

Remuneration of key management personnel is as follow:

	2022 £	2021 £
Aggregate compensation	<u>473,057</u>	<u>415,527</u>

#### Transactions with related parties

During the year the Company entered into transactions in the normal course of business with schools and other establishments which hold minority interest shareholdings in the Company.

During the period, the Company entered into the following transactions with Hertfordshire County Council which owned 20% of the issued share capital of the Company at the period end.

Purchases of £362,949 (2021: £563,074) were made by the Company from Hertfordshire County Council for the supply of support services and IT services for resale to schools of which £10,770 (2021: £23,495) has been accrued for at the year end. At the year end the Company owed £35,872 (2021: £126,335) in respect of these purchases.

Sales of £6,127,257 (2021: £5,839,060) were made to Hertfordshire County Council for the provision of school improvement services, excluding £97,519 (2021: £101,605) which has been included in deferred income at the year end. At the year-end date £20,854 was owed by Hertfordshire County Council (2021: £7,146 was owed by Hertfordshire County Council) in respect of these sales.

#### 23. Controlling party

The directors are of the opinion there is no single controlling party.