

Company Number 08616453

# Learning Curve (NE) Group Limited

## Report and Financial Statements

31 January 2019



**Directors**

J D Cummins  
B McLeish  
G Higgins  
R Mayers  
I Wallis

**Auditor**

BDO LLP  
65 Haymarket Terrace  
Edinburgh  
EH12 5HD

**Bankers**

HSBC Bank plc  
110-116 Grey Street  
Newcastle upon Tyne  
NE1 4JD

**Solicitors**

DWF LLP  
Scott Place  
2 Hardman Street  
Manchester  
M3 3AA

**Registered Office**

1-10 Dunelm Rise,  
Durhamgate  
Spennymoor,  
DL16 6FS

## Directors' report

The directors present their report together with the audited financial statements for the year ended 31 January 2019.

### Results and dividends

The company has not traded during the period and has incurred no profit or loss (2018 - £nil). The directors do not recommend a final dividend (2018 - £nil).

### Principal activities and review of the business

Learning Curve (NE) Group Limited was the ultimate parent undertaking for a number of subsidiary undertakings, however on 26 March 2015 Genius Holdco became the ultimate holding company for Learning Curve (NE) Group and its subsidiaries.

On the 15<sup>th</sup> October 2018 the company acquired 100% of the share capital of Profound Training Limited and Northern Care Training Limited.

### Principal risks and uncertainties

The principal risks and uncertainties facing the company's subsidiaries are given in their respective financial statements. As the company does not trade, the directors consider there to be no significant risks and uncertainties facing the company.

### Directors

The directors who served the company during the year were as follows:

J D Cummins  
B McLeish  
G Higgins  
R Mayers  
I Wallis

### Going concern

The directors have considered the current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis for preparation of these financial statements.

### 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.


### Dividends

Following the year end the company paid a dividend to its immediate parent of £12m.

**Small companies exemptions**

In preparing this directors report advantage has been taken of the small companies exemption.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'G Higgins', with a long horizontal stroke extending to the right.

G Higgins

Director

31<sup>st</sup> May 2019

## Statement of directors' responsibilities

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

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

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

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

## **Independent auditor's report**

**to the members of Learning Curve (NE) Group Limited**

### **Opinion**

We have audited the financial statements of Learning Curve (NE) Group Limited ("the Company") for the period ended 31 January 2019 which comprise the Income statement, Balance sheet, Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 January 2019 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the Directors' use of the going concern basis of accounting in the 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.

## **Independent auditor's report**

**to the members of Learning Curve (NE) Group Limited**

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

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

We have nothing to report in this regard.

### **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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

## **Independent auditor's report**

**to the members of Learning Curve (NE) Group Limited**

### **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 at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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.



31 Mar 2019

Martin Gill (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Edinburgh, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Income statement

for the period ended 31 January 2019

		<i>Year ended</i> <i>31 Jan 2019</i>	<i>18 months</i> <i>ended 31</i> <i>Jan 2018</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		-	-
<b>Operating (loss)/profit</b>	2	-	-
Interest payable and similar charges		-	-
<b>(Loss)/profit on ordinary activities before taxation</b>		-	-
Tax on (loss)/profit on ordinary activities	4	-	-
<b>(Loss)/profit and total comprehensive income for the financial period</b>		-	-

All amounts relate to continuing activities.

The notes on pages 12 to 14 form part of these financial statements.

## Balance sheet

at 31 January 2019

	Notes	31 Jan 2019 £	31 Jan 2018 £
<b>Fixed assets</b>			
Investments	5	47,597,332	37,561,085
<b>Current assets</b>			
Debtors	6	232,310	232,310
Cash at bank and in hand		95	95
		232,405	232,405
<b>Creditors: amounts falling due within one year</b>	7	(47,924,610)	(37,888,363)
<b>Net current assets/(liabilities)</b>		(47,692,205)	(37,655,958)
<b>Total assets less current liabilities</b>		(94,873)	(94,873)
<b>Creditors: amounts falling due after more than one year</b>		-	-
<b>Net liabilities</b>		(94,873)	(94,873)
<b>Capital and reserves</b>			
Called up share capital	8	129,032	129,032
Profit and loss account		(223,905)	(223,905)
<b>Shareholders' (deficit)</b>		(94,873)	(94,873)

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

The financial statements were approved and authorised for issue by the Board of Directors on 31<sup>st</sup> May 2019 and signed on their behalf by:



G Higgins

Director

## Statement of changes in equity

at 31 January 2019

	<i>Called up share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 31 July 2016	129,032	(223,905)	(94,873)
Profit for the period	-	-	-
At 31 January 2018	129,032	(223,905)	(94,873)
Profit for the period	-	-	-
At 31 January 2019	129,032	(223,905)	(94,873)

## Notes to the financial statements

at 31 January 2018

### 1. Accounting policies

#### *Statement of compliance*

Learning Curve (NE) Group Limited is a limited liability company incorporated in England.

The Registered Office is:

1-10 Dunelm Rise,  
Durhamgate  
Spennymoor,  
DL16 6FS

#### *Basis of preparation*

The financial statements have been prepared in accordance with the provision of FRS102 Section 1A small entities. There were no material departures from that standard.

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

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

#### *Going concern*

The company has a net liability position of £94,873. The company primarily meets its day to day working capital requirements through Group finance facilities. The financial statements have been prepared on a going concern basis.

Having reviewed the detailed budgets and cash flow projections of the Group for the period to 31 May 2020, supplemented by a higher level review for forthcoming years, and taking account of reasonably likely changes in trading performance as outlined above, these forecasts demonstrate the Group will be able to operate within the available facilities. The directors believe they have robust grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future. The directors, in their detailed consideration of going concern, have reviewed the Group's future cash forecasts and revenue projections, which they believe are based on cautious market data past experience and confirmed profitable contracts, and believe, based on those forecasts and projections, that it is appropriate to prepare the financial statements of the company and Group on a going concern basis. Following the year end the company received a dividend of £12.4m from one of its subsidiaries which moved the reserves to positive. The company's ultimate parent has confirmed its ongoing support for the company.

#### *Investments*

Investments in subsidiaries are valued at cost less provision for impairment.

### 2. Operating profit

The company's audit fee is borne by its parent undertaking, Genius Holdco Limited.

The company has no employees aside from the directors and there are no staff costs. The directors are remunerated by other group companies. The directors' services to the company do not occupy a significant amount of time.

## Notes to the financial statements

at 31 January 2019

### 3. Staff costs

The company has no staff costs (2018 - £nil).

### 4. Tax on profit

There is no tax charge for the company in the period.

### 5. Investments

<i>Company</i>	<i>Investments in subsidiary companies £</i>
Cost or valuation:	
At 31 January 2018	37,561,085
Additions	10,036,247
At 31 January 2019	47,597,332
Net book value:	
At 31 January 2018	37,561,085
At 31 January 2019	47,597,332

On 15 October 2018 the company acquired the entire share capital of Profound Services Limited, Northern Care Training limited and Profound National Apprenticeship Company Limited as a single transaction for a consideration of £10,036,247 (including transaction expenses).

The company holds 100% of the issued share capital of the following companies, all of which are incorporated in the United Kingdom:

<i>Company</i>	<i>Description</i>
Learning Curve Group Limited	Education and training provision
Learning at Work Limited	Non-trading
Learning Curve Skill Centres Limited	Non-trading
Workwise Personnel Limited	Non-trading
Profound Services Limited	Education and training provision
Northern Care Training Limited	Education and training provision
Profound National Apprenticeship Company Limited	Non-trading

All of the above companies have registered addresses at:

Learning Curve Group,  
1-10 Dunelm Rise,  
Durhamgate  
Spennymoor,  
DL16 6FS

## Notes to the financial statements

at 31 January 2019

### 6. Debtors

	2019	2018
	£	£
Amounts owed by group companies	<u>232,310</u>	<u>232,310</u>

### 7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	46,124,610	37,888,419
Deferred consideration	<u>1,800,000</u>	<u>-</u>
	<u>47,924,610</u>	<u>37,888,419</u>

### 8. Issued share capital

	No.	2019	No.	2018
		£		£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	129,032	<u>129,032</u>	129,032	<u>129,032</u>

### 9. Related party transactions

The company has taken advantage of the exemption given in FRS102.33.1A not to disclose transactions with wholly owned related parties on the grounds that it is a wholly owned subsidiary of a group headed by Genius Holdco Limited.

### 10. Ultimate parent undertaking and controlling party

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

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