

Learning Curve (NE) Group Limited

Report and Financial Statements

31 January 2020



Directors

J D Cummins (resigned 12 March 2020)

B McLeish

G Higgins

R Mayers (resigned 26 June 2019)

I Wallis (resigned 26 June 2019)

Auditor

BDO LLP

65 Haymarket Terrace

Edinburgh

EH12 5HD

Bankers

HSBC Bank plc

110-116 Grey Street

Newcastle upon Tyne

NE1 4JD

Solicitors

Burness Paull

50 Lothian Road

Edinburgh

EH3 9WJ

Registered Office

Learning Curve Group

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 2020.

Results and dividends

The company has not traded during the period and has incurred no profit or loss (2019 - £nil). During the year, the company received dividends of £12,400,000 and paid dividend of £12,000,000 (2019 - £nil).

Principal activities

The principal activity of the Company is that of an intermediate holding company.

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 (resigned 12 March 2020)

B McLeish

G Higgins

R Mayers (resigned 26 June 2019)

I Wallis (resigned 26 June 2019)

Going concern

The Company has not traded during the year, however the directors have reviewed detailed projections for the Group that have been produced to identify the potential impact of COVID-19 on the future financial performance of the business. The financial information reviewed by the Board includes detailed profit and loss as well as cash flow information together with the level of liquid resources available to the Company. The projections have also been shared with lenders under the terms of the group banking arrangement to which the Company is party. The directors have therefore continued to adopt the going concern basis when preparing these financial statements.

Disclosure of information to auditors

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

Post balance sheet events

Between the Balance Sheet date and the date of signing of these financial statements, the COVID-19 pandemic has had an impact on the level of worldwide economic activity, and as a consequence also the level of activity undertaken by the Company from mid-March 2020. The impact is continuing after the date of signing these financial statements. The impact of COVID-19 on the operations of the Company is set out in note 11 of the financial statements.

On March 12 2020 Agilitas Private Equity took over as ultimate controlling party of the Company.

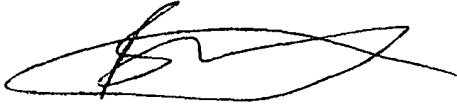
The Company acquired 100% of the share capital of The London Hairdressing Apprenticeship Academy Limited and Acorn Training Consultants Ltd subsequent to the year end.

With the exception of these events, no other post balance sheet events affecting the financial statements or related disclosures have occurred to date.

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 'B McLeish', written over a horizontal line.

B McLeish

Date 23 October 2020

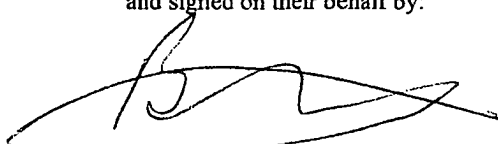
Balance sheet

at 31 January 2020

	Notes	31 Jan 2020 £	31 Jan 2019 £
Fixed assets			
Investments	5	47,597,332	47,597,332
Current assets			
Debtors	6	232,310	232,310
Cash at bank and in hand		95	95
		<u>232,405</u>	<u>232,405</u>
Creditors: amounts falling due within one year	7	<u>(47,524,610)</u>	<u>(47,924,610)</u>
Net current assets/(liabilities)		<u>(47,292,205)</u>	<u>(47,692,205)</u>
Total assets less current liabilities		305,127	(94,873)
Creditors: amounts falling due after more than one year		-	-
Net liabilities		<u>305,127</u>	<u>(94,873)</u>
Capital and reserves			
Called up share capital	8	129,032	129,032
Profit and loss account		<u>176,095</u>	<u>(223,905)</u>
Shareholders' funds		<u>305,127</u>	<u>(94,873)</u>

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 23rd October 2020 and signed on their behalf by:



B McLeish
Director

Income statement

for the period ended 31 January 2020

		<i>Year ended</i> <i>31 Jan 2020</i>	<i>Year ended</i> <i>31 Jan 2019</i>
	<i>Notes</i>	£	£
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Operating (loss)/profit	2	-	-
Income from dividends		12,400,000	-
(Loss)/profit on ordinary activities before taxation		12,400,000	-
Tax on (loss)/profit on ordinary activities	4	-	-
(Loss)/profit and total comprehensive income for the financial period		12,400,000	-

All amounts relate to continuing activities.

The notes on pages 13 to 16 form part of these financial statements.

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.



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

Date: 23 October 2020

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

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 Director's 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

Opinion

We have audited the financial statements of Learning Curve (NE) Group Limited ("the Company") for the period ended 31 January 2020 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 2020 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.

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.

Statement of changes in equity

at 31 January 2020

	<i>Called up share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 31 January 2019	129,032	(223,905)	(94,873)
Profit for the year	-	12,400,000	12,400,000
Contributions by and distributions to owners Dividends: Equity capital	-	(12,000,000)	(12,000,000)
At 31 January 2020	129,032	176,095	305,127

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 2020

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 not traded during the year, however the directors have reviewed detailed projections for the Group that have been produced to identify the potential impact of COVID-19 on the future financial performance of the business. The financial information reviewed by the Board includes detailed profit and loss as well as cash flow information together with the level of liquid resources available to the Company. The projections have also been shared with lenders under the terms of the group banking arrangement to which the Company is party. The directors have therefore continued to adopt the going concern basis when preparing these financial statements

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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.

3. Staff costs

The company has no staff costs (2019 - £nil).

Notes to the financial statements

at 31 January 2020

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 2019	47,597,332
At 31 January 2020	47,597,332
Net book value:	
At 31 January 2019	47,597,332
At 31 January 2020	47,597,332

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 2020

6. Debtors

	2020	2019
	£	£
Amounts owed by group companies	232,310	232,310

7. Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	47,524,610	46,124,610
Deferred consideration	-	1,800,000
	<u>47,524,610</u>	<u>47,924,610</u>

8. Issued share capital

	No.	2020	No.	2019
		£		£
Allotted, called up and fully paid				
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 at the year end.

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.

11. Post balance sheet events

On March 12 2020, the entire share capital of Genius Holdco Limited, the ultimate parent company was sold to some of the existing management of the group as well as to a new majority shareholder, Agilitas Private Equity. Agilitas Private Equity took over as ultimate controlling party of the Company, and Boyd Holdco (UK) Limited was formed to be the ultimate parent company from that date.

Notes to the financial statements

at 31 January 2020

The Group has performed an assessment of the impact of COVID-19 on the potential financial and operational risks to the business. At the date of approval of these accounts the key effects of COVID-19 on the Group are as follows:

- Employees – all critical employees are able to work, remotely if needed, without any significant impact on the business.
- Customer demand – the demand for our products is still evident, and we expect this to continue.
- Suppliers – we are in regular contact with our key suppliers and are maintaining continuity of supply.
- Liquidity – as the majority of our income arises from government funded training, we are not seeing any significant impact on liquidity from the consequences of COVID-19.

Sensitivities have been applied to the Groups underlying forecasts to take account of the most severe impacts of the above. The directors, in light of these actual and potential impacts, remain 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.

The Company acquired 100% of the share capital of The London Hairdressing Apprenticeship Academy Limited and Acorn Training Consultants Ltd subsequent to the year end.