

DEARING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 APRIL 2019
PAGES FOR FILING WITH REGISTRAR

28/04/20
15
85

FRIDAY
SA



	S93N2XHE	
SPE	24/04/2020	#9
	COMPANIES HOUSE	
	A93PSHQG	
A03	25/04/2020	#210
	COMPANIES HOUSE	

DEARING LIMITED

BALANCE SHEET

AS AT 27 APRIL 2019

	Notes	2019 £000	2018 £000	2018 £000
Fixed assets				
Tangible assets	5	-		11
Current assets				
Debtors	6	-	865	
Cash at bank and in hand		-	9	
			<u>874</u>	
Creditors: amounts falling due within one year	7	<u>(1,265)</u>	<u>(1,584)</u>	
Net current liabilities			<u>(1,265)</u>	<u>(710)</u>
Total assets less current liabilities			<u>(1,265)</u>	<u>(699)</u>
Creditors: amounts falling due after more than one year	8		(1,359)	-
Net liabilities			<u>(2,624)</u>	<u>(699)</u>
Capital and reserves				
Profit and loss reserves			<u>(2,624)</u>	<u>(699)</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 23 April 2020 and are signed on its behalf by:


W Janse van Rensburg
Director

Company Registration No. 10035864

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 APRIL 2019

1 Accounting policies

Company information

Dearing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Dearing House, 1 Young Street, Sheffield, S1 4UP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Learndirect Limited. These consolidated financial statements are available from its registered office, 42 Ocean View Road, Bude, Cornwall, EX23 8ST.

1.2 Basis of preparation

As explained in Note 2, the company disposed of its trade and related net assets during the financial year and are winding it down. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value and accruing all known liabilities and expected costs of winding down the company.

1.3 Reporting period

These financial statements are for the 12 month period ended 27 April 2019 and the comparative reporting period is the 15 month period ended 28 April 2018. As a result, the comparative amounts presented in the financial statements are not entirely comparable.

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

1 Accounting policies

(Continued)

1.4 Turnover

The company contracts with learners in the workplace to assist them in gaining an accredited qualification in their chosen programme of learning. Under the workplace methodology, funding is received to support learners separately for 'on programme' learning and for successfully achieving the qualification. 'On programme' funding is recognised over the duration of the learning programme. The achievement payment is recognised when the learner achieves the qualification.

1.5 Research and development expenditure

Research expenditure is written off against profits in the period in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets other than goodwill

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

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	3/5 years
-------------------	-----------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	50% straight line
-----------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash at bank and in hand

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Group relief is surrendered / received for nil payment.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 27 APRIL 2019

2 Exceptional costs/(income)

	2019 £000	2018 £000
Exceptional cost- impairment of fixed assets	-	433
Exceptional administrative expenses	107	82

The exceptional items above related to staff redundancies and contractual terminations upon winding down.

The company disposed of its trade, intellectual property and certain fixed assets in July 2018 for a nominal sum and has been subsequently winding down its activities. The net book value of the assets was less than £100,000 and has been written off as depreciation in the year.

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 71 (2018 - 223).

4 Intangible fixed assets

	Computer software £000
Cost	
At 29 April 2018	102
Additions	11
Disposals	(113)
At 27 April 2019	-
Amortisation and impairment	
At 29 April 2018	102
Amortisation charged for the period	11
Disposals	(113)
At 27 April 2019	-
Carrying amount	
At 27 April 2019	-
At 28 April 2018	-

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

5 Tangible fixed assets

	Plant and machinery etc £000
Cost	
At 29 April 2018	406
Additions	96
Disposals	(502)
At 27 April 2019	-
Depreciation and impairment	
At 29 April 2018	395
Depreciation charged in the period	107
Eliminated in respect of disposals	(502)
At 27 April 2019	-
Carrying amount	
At 27 April 2019	-
At 28 April 2018	11

6 Debtors

	2019 £000	2018 £000
Amounts falling due within one year:		
Trade debtors	-	755
Other debtors	-	110
	-	865

7 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	247	256
Amounts owed to group undertakings	770	495
Taxation and social security	4	244
Other creditors	244	589
	1,265	1,584

DEARING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 27 APRIL 2019

8 Creditors: amounts falling due after more than one year

	2019	2018
	£000	£000
Other creditors	1,359	-

Other creditors due in over one year relates to the repayment of funding to the ESFA on an agreed basis.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter - Financial statements prepared on a basis other than going concern

We draw attention to Note 1.2 to the financial statements and the directors report which explains that the directors disposed of the company's trade and assets in July 2018 and are subsequently winding the company down. Therefore the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1.2. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Philip Allsop.

The auditor was BHP LLP.

10 Related party transactions

The company has taken advantage of the exemption in section 33.1A of FRS 102 from disclosing transactions entered into between two or more members of the group as all subsidiaries are wholly owned.

The company has taken advantage of exemption under FRS 102 section 1.12 Reduced Disclosures for Subsidiaries from disclosing key management personnel compensation in total.

11 Parent company

The ultimate parent company is Learndirect Limited (formerly Stonebridge Colleges (Publishing) Limited), a company controlled by W Janse van Rensburg.