
HERTS FOR LEARNING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



HERTS FOR LEARNING LIMITED

COMPANY INFORMATION

Directors

Rachael Adler
Carole Anne Bennett (appointed 2 May 2023)
Margaret Catherine Chapman (appointed 9 January 2023)
Paula Lee Clarke
Catherine Janet Glickman
Bethany Jane Honnor
Stephen George Hoult-allen
Paul John Layzell (appointed 1 March 2022)
Nicholas Ryan Novak
Cynthia Eluku Nyamkeh Rowe
Hero Slinn (appointed 16 September 2022)
Natalie Gilda Wickens
Andrew Béla de Csilléry (resigned 31 March 2023)
Faisal Arshad Mir (resigned 6 May 2022)
Jeremy Mark Scott (resigned 20 October 2022)

Company secretary

Lynette Jane Dexter

Registered number

08419581

Registered office

Robertson House
Six Hills Way
Stevenage
Hertfordshire
SG1 2FQ

Independent auditor

Hillier Hopkins LLP
Chartered Accountants & Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Solicitors

Forbes Solicitors LLP
4 Wellington Street St Johns
Blackburn
BB1 8DD

HERTS FOR LEARNING LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditor's Report	5 - 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Analysis of Net Debt	13
Notes to the Financial Statements	14 - 27

HERTS FOR LEARNING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

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.

Our revenue increased by £500k on last year and ended the year below plan, as a reflection of the toughening financial climate across our customer base. We saw our contract services perform well against target, but sales of pay-as-you-use services failed to meet expectations.

The operating profit was in line with expectations but below original budget, and the full reported loss was anticipated and reflects one-off costs that we have incurred to support the future development of the business.

Our blended service delivery model remains in place, but additional business expenditure is being incurred as we see a shift towards a larger proportion of work being undertaken face-to-face. We are focused on trying to control expenditure and are absorbing supplier price inflation whilst minimising the price inflation that we pass on to our shareholder customers. We are targeting financial efficiencies across key business processes through the Organisational Effectiveness strand to our strategic plan.

We continue to focus on our local shareholder customers by continuing to evolve our service offering to meet changing needs in schools and settings. Alongside this, we also continue to grow our national customer base for a well-defined range of digital products.

Our financial reserves remain ahead of the Board's target, despite being reduced this year by the full reported loss.

The ever-tightening financial environment in which we operate continues to represent a challenge to our business, but our budget for 2023-24 and financial planning reinforces that our model is sustainable and robust.

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 tightening financial pressures across our customer base are impacting income, particularly for Pay as You Use (PAYU) services such as face-to-face training and events. We are continuing to operate through digital channels which is helping to mitigate inflation, but our cost base is under pressure from inflation being passed on by suppliers. Our Thrive Local and Grown National strategy is providing us with new opportunities to increase our market reach beyond our traditional Hertfordshire customer base.

Price risks:

We have reduced the company's exposure to service price risk by agreeing pricing structures with customers, and we seek to keep our prices as low as possible for customers through following competitive procurement processes with our suppliers.

HERTS FOR LEARNING LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Liquidity risk:

The company's policy is to ensure working capital is managed so as to maintain sufficient cash balances. Our close working relationships with customers assist in this regard, with the majority of our core customers paying for services via Direct Debit arrangements. Our ability to reduce our cost base in response to COVID-19 by introducing a blended digital service offer has enabled us to reduce our business expenditure, to strengthen our working capital position.

Risk relating to government policy:

Government policy has a significant influence on the spending power of our 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. The Education White and Green papers of 2022 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 our customers' ability to buy our products and services, so we must ensure that we deliver value for money alongside high impact of our services.

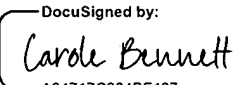
Financial key performance indicators

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

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.

DocuSigned by:

.....AA4Z17C3B4BF407.....
Carole Anne Bennett
Director

Date: 03-07-2023 | 11:39 BST

HERTS FOR LEARNING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

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 loss for the year, after taxation, amounted to £158,626 (2022 - profit £225,992).

No ordinary dividends were paid in the year (2022: £nil).

Directors

The directors who served during the year were:

Rachael Adler
Margaret Catherine Chapman (appointed 9 January 2023)
Paula Lee Clarke
Catherine Janet Glickman
Bethany Jane Honnor
Stephen George Hoult-allen
Paul John Layzell (appointed 1 March 2022)
Nicholas Ryan Novak
Cynthia Eluku Nyamkeh Rowe
Hero Slinn (appointed 16 September 2022)
Natalie Gilda Wickens
Andrew Béla de Csilléry (resigned 31 March 2023)
Faisal Arshad Mir (resigned 6 May 2022)
Jeremy Mark Scott (resigned 20 October 2022)

HERTS FOR LEARNING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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

Under section 487(2) of the Companies Act 2006, Hillier Hopkins LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

DocuSigned by:

Carole Bennett

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Carole Anne Bennett

Director

Date: 03-07-2023 | 11:39 BST

HERTS FOR LEARNING LIMITED

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

Opinion

We have audited the financial statements of Herts for Learning Limited (the 'Company') for the year ended 31 March 2023, 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 2023 and of its loss 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.

HERTS FOR LEARNING LIMITED

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

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 3, 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.

HERTS FOR LEARNING LIMITED

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

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

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. This description forms part of our Auditor's Report.

HERTS FOR LEARNING LIMITED

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

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.

DocuSigned by:

Hillier Hopkins LLP

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Alexander Bottom 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: 04-07-2023 | 14:53 BST

HERTS FOR LEARNING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	23,798,637	23,343,514
Cost of sales		(20,707,801)	(20,164,892)
Gross profit		3,090,836	3,178,622
Administrative expenses		(3,373,555)	(2,878,477)
Operating (loss)/profit		(282,719)	300,145
Interest receivable and similar income	8	25,303	7,275
(Loss)/profit before tax		(257,416)	307,420
Tax on (loss)/profit	9	98,790	(81,428)
(Loss)/profit for the financial year		(158,626)	225,992

The notes on pages 14 to 27 form part of these financial statements.

HERTS FOR LEARNING LIMITED
REGISTERED NUMBER: 08419581

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	10	-	14,031
Tangible assets	11	204,055	105,149
		<u>204,055</u>	<u>119,180</u>
Current assets			
Stocks	12	98,879	164,619
Debtors: amounts falling due within one year	13	2,205,973	1,629,557
Cash at bank and in hand	14	5,094,395	5,253,597
		<u>7,399,247</u>	<u>7,047,773</u>
Creditors: amounts falling due within one year	15	(3,916,152)	(3,301,199)
Net current assets		<u>3,483,095</u>	<u>3,746,574</u>
Total assets less current liabilities		<u>3,687,150</u>	<u>3,865,754</u>
Provisions for liabilities			
Deferred tax	16	-	(19,978)
Net assets		<u><u>3,687,150</u></u>	<u><u>3,845,776</u></u>
Capital and reserves			
Called up share capital	17	16,150	16,175
Capital redemption reserve	18	250	225
Profit and loss account	18	3,670,750	3,829,376
		<u><u>3,687,150</u></u>	<u><u>3,845,776</u></u>

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

DocuSigned by:

A84717C384BF407...
Carole Anne Bennett
Director

Date: 03-07-2023 | 11:39 BST

The notes on pages 14 to 27 form part of these financial statements.

HERTS FOR LEARNING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	16,050	225	3,603,384	3,619,659
Comprehensive income for the year				
Profit for the year	-	-	225,992	225,992
Contributions by and distributions to owners				
Shares issued during the year	125	-	-	125
At 1 April 2022	16,175	225	3,829,376	3,845,776
Comprehensive income for the year				
Loss for the year	-	-	(158,626)	(158,626)
Purchase of own shares	-	25	-	25
Shares redeemed during the year	(25)	-	-	(25)
At 31 March 2023	16,150	250	3,670,750	3,687,150

The notes on pages 14 to 27 form part of these financial statements.

HERTS FOR LEARNING LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(158,626)	225,992
Adjustments for:		
Amortisation of intangible assets	14,031	66,768
Depreciation of tangible assets	82,514	63,691
Interest received	(25,303)	(7,275)
Taxation charge	(98,790)	81,428
Decrease in stocks	65,740	37,063
(Increase)/decrease in debtors	(502,629)	446,508
Increase in creditors	673,184	29,440
Increase/(decrease) in amounts owed to groups	-	(133,480)
Corporation tax (paid)/received	(53,206)	-
Net cash generated from operating activities	(3,085)	810,135
Cash flows from investing activities		
Purchase of tangible fixed assets	(181,420)	(49,718)
Interest received	25,303	7,275
Net cash from investing activities	(156,117)	(42,443)
Cash flows from financing activities		
Issue of ordinary shares	-	125
Net cash used in financing activities	-	125
Net (decrease)/increase in cash and cash equivalents	(159,202)	767,817
Cash and cash equivalents at beginning of year	5,253,597	4,485,780
Cash and cash equivalents at the end of year	5,094,395	5,253,597
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,094,395	5,253,597

The notes on pages 14 to 27 form part of these financial statements.

HERTS FOR LEARNING LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	5,253,597	(159,202)	5,094,395
	<u>5,253,597</u>	<u>(159,202)</u>	<u>5,094,395</u>

The notes on pages 14 to 27 form part of these financial statements.

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for a period of at least 12 months from following the approval of the financial statements. The loss before tax made in the year of £257,416 was budgeted and has had little impact on the reserve position as net assets were £3,687,150 at 31st December 2022.

As a result of this and the cash balance as of year end, the directors are of the opinion that the company can meet the majority of its liabilities as they fall due. The directors have considered the impact of the current economic climate in their going concern assessment.

There can be no certainty in relation to these matters. However, the directors consider it appropriate to prepare the financial statements on the going concern basis.

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.3 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.

2.4 Interest income

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

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.5 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.

2.6 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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2.7 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.

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.7 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:

Fixtures and fittings	-	14%
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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.12 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 carried 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.

At the time of the approval of the financial statements, the post March 2023 position between the company and Hertfordshire County Council had not been finalised.

2.13 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.

2.14 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.

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023	2022
	£	£
Sales	<u>23,798,637</u>	<u>23,343,514</u>

All turnover arose within the United Kingdom.

5. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	12,500	11,000

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Employees

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

	2023	2022
	£	£
Wages and salaries	13,120,628	12,529,118
Social security costs	1,556,615	1,354,871
Pension costs	1,942,154	1,943,387
	<u>16,619,397</u>	<u>15,827,376</u>

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

	2023	2022
	No.	No.
Management and administration	46	44
Service Delivery	418	417
	<u>464</u>	<u>461</u>

7. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	170,938	167,640
Company contributions to defined contribution pension schemes	6,000	16,764
	<u>176,938</u>	<u>184,404</u>

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

8. Interest receivable

	2023	2022
	£	£
Other interest receivable	<u>25,303</u>	<u>7,275</u>

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	58,231
Adjustments in respect of previous periods	5,925	-
Total current tax	5,925	58,231
Deferred tax		
Origination and reversal of timing differences	(104,715)	23,197
Total deferred tax	(104,715)	23,197
Taxation on (loss)/profit on ordinary activities	(98,790)	81,428

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(257,416)	307,420
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(48,909)	58,410
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	221	-
Capital allowances for year in excess of depreciation	(5,094)	(179)
Adjustments to tax charge in respect of prior periods	5,925	-
Other timing differences leading to an increase (decrease) in taxation	(55,741)	23,197
Non-taxable income	4,808	-
Total tax charge for the year	(98,790)	81,428

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. 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.

At the balance sheet date the company has tax losses of £283,064 (2022: £nil) carried forward to be used against future trade profits of the company.

10. Intangible assets

	Digital assets £
Cost	
At 1 April 2022	306,066
At 31 March 2023	306,066
Amortisation	
At 1 April 2022	292,035
Charge for the year on owned assets	14,031
At 31 March 2023	306,066
Net book value	
At 31 March 2023	-
At 31 March 2022	14,031

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2022	-	231,939	1,644	233,583
Additions	97,323	82,855	1,242	181,420
At 31 March 2023	97,323	314,794	2,886	415,003
Depreciation				
At 1 April 2022	-	128,434	-	128,434
Charge for the year on owned assets	5,793	75,901	820	82,514
At 31 March 2023	5,793	204,335	820	210,948
Net book value				
At 31 March 2023	91,530	110,459	2,066	204,055
At 31 March 2022	-	103,505	1,644	105,149

12. Stocks

	2023 £	2022 £
Finished goods and goods for resale	98,879	164,619

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**13. Debtors**

	2023 £	2022 £
Trade debtors	907,553	822,830
Other debtors	721	11,671
Prepayments and accrued income	1,212,962	781,813
Tax recoverable	-	13,243
Deferred taxation	84,737	-
	<u>2,205,973</u>	<u>1,629,557</u>

14. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	5,094,395	5,253,597

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,494,939	492,434
Corporation tax	-	58,231
Other taxation and social security	948,835	670,308
Other creditors	189,852	189,944
Accruals and deferred income	1,282,526	1,890,282
	<u>3,916,152</u>	<u>3,301,199</u>

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Deferred taxation

	2023 £
At beginning of year	(19,978)
Charged to profit or loss	104,715
At end of year	84,737

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(28,131)	(19,978)
Tax losses carried forward	70,766	-
Unpaid pension creditor	42,102	-
	84,737	(19,978)

17. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
126 (2022 - 126) Ordinary A shares of £25 each shares of £25.00 each	3,150	3,150
81 (2022 - 81) Ordinary B shares of £25 each shares of £25.00 each	2,025	2,025
413 (2022 - 414) Ordinary C shares of £25 each shares of £25.00 each	10,325	10,350
26 (2022 - 26) Ordinary D shares of £25 each shares of £25.00 each	650	650
	16,150	16,175

18. 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.

HERTS FOR LEARNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. 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 totaling £90,420 (2022 - £84,653) 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 carried 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.

At the time of the approval of the financial statements, the post March 2023 position between the company and Hertfordshire County Council had not been finalised.

20. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	351,805	325,902

HERTS FOR LEARNING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Related party transactions

Remuneration of key management personnel is as follow:

	2023	2022
	£	£
Aggregate compensation	497,658	473,057

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 £392,225 (2022: £362,949) were made by the Company from Hertfordshire County Council for the supply of support services and IT services for resale to schools of which £1,600 (2022: £10,770) has been accrued for at the year end. At the year end the Company owed £47,198 (2022: £35,872) in respect of these purchases.

Sales of £6,399,337 (2022: £6,127,257) were made to Hertfordshire County Council for the provision of school improvement services, excluding £113,241 (2022: £97,519) which has been included in deferred income at the year end. At the year-end date £115,735 was owed by Hertfordshire County Council (2022: £20,854 was owed by Hertfordshire County Council) in respect of these sales.

22. Controlling party

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