

**Company Registration No. 09734238 (England and Wales)**

**LEARN SHEFFIELD**

**A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**PAGES FOR FILING WITH REGISTRAR**

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**A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL**  
**COMPANY INFORMATION**

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<b>Directors</b>	M D Allen S D Betts J A Smith C D Holder A Hughes A Lant C French A Bainbridge	(Appointed 6 December 2016) (Appointed 6 December 2016) (Appointed 1 February 2017) (Appointed 6 December 2016) (Appointed 6 December 2016) (Appointed 18 September 2017)
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**Company number** 09734238

**Registered office** Training and Development Hub  
Lees Hall Road  
Sheffield  
South Yorkshire  
S8 9JP

**Auditor** Hart Shaw LLP  
Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

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**LEARN SHEFFIELD**  
**A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL**  
**BALANCE SHEET**

**AS AT 31 AUGUST 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	3		16,292		23,479
<b>Current assets</b>					
Debtors	4	333,781		10,618	
Cash at bank and in hand		111,269		124,123	
		<u>445,050</u>		<u>134,741</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(371,108)</u>		<u>(143,334)</u>	
<b>Net current assets/(liabilities)</b>			73,942		(8,593)
<b>Total assets less current liabilities</b>			<u>90,234</u>		<u>14,886</u>
<b>Provisions for liabilities</b>			(34,000)		-
<b>Net assets</b>			<u>56,234</u>		<u>14,886</u>
<b>Reserves</b>					
Pension reserve			(30,000)		-
Income and expenditure account			86,234		14,886
<b>Members' funds</b>			<u>56,234</u>		<u>14,886</u>

The directors of the company have elected not to include a copy of the income and expenditure 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 1 February 2018 and are signed on its behalf by:

S D Betts  
**Director**

**Company Registration No. 09734238**

# **LEARN SHEFFIELD**

## **A COMPANY LIMITED BY GUARANTEE WITH NO SHARE CAPITAL**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1 Accounting policies**

##### **Company information**

Learn Sheffield is a private company limited by guarantee incorporated in England and Wales. The registered office is Training and Development Hub, Lees Hall Road, Sheffield, South Yorkshire, S8 9JP.

##### **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 £.

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

These financial statements for the year ended 31 August 2017 are the first financial statements of Learn Sheffield prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 14 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

##### **1.2 Income and expenditure**

Income represents amounts in respect of the funding received from Sheffield City Council together with other amounts receivable for goods and services.

Expenses include irrecoverable VAT where applicable.

##### **1.3 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:

Fixtures, fittings & equipment	20% straight line
Computer equipment	33.33% 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 surplus or deficit.

##### **1.4 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

##### **1.5 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash at bank and in hand.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1 Accounting policies** **(Continued)**

**1.6 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. 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.

**Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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.

**1.7 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1 Accounting policies** **(Continued)**

**1.8 Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**1.9 Retirement benefits**

The LGPS is a funded scheme and the assets are held separately from those of the in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained and are updated at each balance sheet date. The amounts charged to the income and expenditure account are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of direct costs. Net interest on the net defined benefit liability/asset is also recognised in the income and expenditure account and comprises of the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

**1.10 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.11 Departure from standard formats**

Due to the special circumstances of the company, the directors have departed from the provisions of Chapter 4 of the Companies Act 2006 with regard to the format and the content of the profit and loss account in order that the financial statements give a true and fair view.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 8 (2016 - nil). All staff costs incurred in the prior year were recharged from Sheffield City Council.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>3</b>	<b>Tangible fixed assets</b>	<b>Plant and machinery etc</b>	
		<b>£</b>	
	<b>Cost</b>		
	At 1 September 2016	29,606	
	Additions	1,477	
	At 31 August 2017	<u>31,083</u>	
	<b>Depreciation and impairment</b>		
	At 1 September 2016	6,127	
	Depreciation charged in the year	8,664	
	At 31 August 2017	<u>14,791</u>	
	<b>Carrying amount</b>		
	At 31 August 2017	<u>16,292</u>	
	At 31 August 2016	<u><u>23,479</u></u>	
<b>4</b>	<b>Debtors</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>		
	Trade debtors	328,790	7,119
	Prepayments and accrued income	4,991	3,499
		<u>333,781</u>	<u>10,618</u>
		<u><u>333,781</u></u>	<u><u>10,618</u></u>
<b>5</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	7,634	32,792
	Corporation tax	18,004	-
	Other taxation and social security	23,599	-
	Other creditors	20,827	-
	Accruals and deferred income	301,044	110,542
		<u>371,108</u>	<u>143,334</u>
		<u><u>371,108</u></u>	<u><u>143,334</u></u>

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**6 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities 2017 £</b>	<b>Liabilities 2016 £</b>
<b>Balances:</b>		
Accelerated capital allowances	4,000	-
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		<b>2017 £</b>
Liability at 1 September 2016		-
Charge to profit or loss		4,000
		<u>          </u>
Liability at 31 August 2017		<u>4,000</u>

**7 Retirement benefit schemes**

	<b>2017 £</b>	<b>2016 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	6,300	-
	<u>          </u>	<u>          </u>

**Defined benefit schemes**

The company operates a defined benefit scheme for qualifying employees.

The company's employees were transferred from Sheffield City Council into Learn Sheffield under the Transfer of Undertakings (Protection of Employment) Regulations 2006. The LGPS deficit attributable to these employees was not transferred to Learn Sheffield and the liability remains with Sheffield City Council. Learn Sheffield is liable for any deficit that arises from the date of transfer.

<i>Key assumptions</i>	<b>2017 %</b>	<b>2016 %</b>
Discount rate	2.40%	-
Expected rate of increase of pensions in payment	2.20%	-
Expected rate of salary increases	3.45%	-
Inflation assumption (CPI)	2.20%	-
	<u>          </u>	<u>          </u>

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**7 Retirement benefit schemes** **(Continued)**

<i>Mortality assumptions</i>	<b>2017</b>	<b>2016</b>
	<b>Years</b>	<b>Years</b>
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	22.90	-
- Females	25.70	-
Retiring in 20 years		
- Males	25.10	-
- Females	28.00	-

<i>Amounts recognised in the profit and loss account</i>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	68,000	-
Administration expenses	1,000	-
Other costs and income	(1,000)	-
Total costs	68,000	-

<i>Amounts taken to other comprehensive income</i>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Actual return on scheme assets	(2,000)	-
Less: calculated interest element	-	-
Return on scheme assets excluding interest income	(2,000)	-
Actuarial changes related to obligations	(2,000)	-
Total costs/(income)	(4,000)	-

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	84,000	-
Fair value of plan assets	(54,000)	-
Deficit in scheme	30,000	-

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**7 Retirement benefit schemes** **(Continued)**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 September 2016	-	-
Current service cost	68,000	-
Contributions from scheme members	18,000	-
Actuarial gains and losses	(2,000)	-
	84,000	-
At 31 August 2017	84,000	-

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>The defined benefit obligations arise from plans funded as follows:</i>		
Wholly unfunded obligations	-	-
Wholly or partly funded obligations	84,000	-
	84,000	-
	84,000	-

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 September 2016	-	-
Return on plan assets (excluding amounts included in net interest)	2,000	-
Contributions by the employer	34,000	-
Contributions by scheme members	18,000	-
	54,000	-
At 31 August 2017	54,000	-

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Fair value of plan assets at the reporting period end</i>		
Equity instruments	33,000	-
Property	5,000	-
Government bonds	7,000	-
Cash and other liquid assets	1,000	-
Other bonds	4,000	-
Other assets	4,000	-
	54,000	-
	54,000	-

**8 Members' liability**

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £25.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**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.  
The auditor was Hart Shaw LLP.

**10 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
	35,149	79,116
	<u>          </u>	<u>          </u>

**11 Related party transactions**

**Sheffield City Council**

Sheffield City Council is a member of the company and is considered to have significant influence over the financial and operational decisions of the company. During the year, Learn Sheffield received funding of £1,216,667 (2016: £860,000) from Sheffield City Council. £286,667 (2016: £70,000) of this income relates to the next financial year and is therefore included in deferred income. Learn Sheffield also procured services from Sheffield City Council to the value of £107,898 (2016: £399,811).

**The Harmony Trust Ltd**

The Harmony Trust Ltd is a company in which A Hughes is also a director. During the year, the company received income of £4,176 (2016: £nil) from The Harmony Trust Ltd.

**Tapton School Academy Trust**

Tapton School Academy Trust is a company in which D Tidmarsh was previously a director (resigned 12 September 2017). During the year the company received £615 (2016: £2,600) from and paid £5,000 (2016: £nil) to Tapton School Academy Trust for services provided.

**Sheffield South East Trust**

Sheffield South East Trust is a company in which S D Betts is also a director. During the year, Learn Sheffield procured services of £2,550 (2016: £nil) from Sheffield South East Trust.