

**Company Registration No. 05919214 (England and Wales)**

**3P LEARNING UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2023**

**3P LEARNING UK LIMITED**

**3 Acorn Business Centre  
Northarbour Road  
Cosham  
Portsmouth  
Hampshire  
PO6 3TH**

**3P LEARNING UK LIMITED**

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**3P LEARNING UK LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Andrew Caldwell Jose Palmero Anton Clowes
<b>Company number</b>	05919214
<b>Registered office</b>	Ground Floor Wessex House Pixash Lane Keynsham Bristol BS31 1TP
<b>Auditor</b>	TC Group 3 Acorn Business Centre Northarbour Road Cosham Portsmouth Hampshire PO6 3TH

## 3P LEARNING UK LIMITED

### STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

#### Principal activities and review of the business

During the financial year the principal continuing activities of the Company consisted of sales and marketing of online educational programs to schools and parents of school-aged students. There was no significant change in the nature of these activities during the year.

On the 14th April 2022 the Company's name was changed from 3P Learning Limited to 3P Learning UK Limited.

The Company's key financial and other performance indicators during the year were as follows:

	2023	2022	Change
	£	£	%
Turnover	5,709,016	5,708,591	0
Profit for the year	632,086	968,193	(34.7%)
Shareholder's equity	2,808,737	2,176,651	29.0%
Current assets as % of current liabilities ('quick ratio')	197.6%	161.7%	22.2%
Average number of employees	53	53	0

Revenue has remained consistent, following the large growth in 2021 caused by the higher demand for online learning resources during the pandemic. Profit after income tax for the year has decreased by 34.7% to £632,086 due an increase in administrative expenses.

#### Material Business Risks

The material business risks faced by the Group in which the Company operates, that are likely to have an effect on the financial prospects of the Company are outlined below:

##### Competition risks

The Group operates in a highly competitive industry and there are a large number of online education participants targeting the school K-12 segment, many with significant resources and access to capital.

##### Technology risks

The Group's technology platforms and systems might be disrupted by new technologies or become obsolete, which could affect the Group's reputation, ability to generate income and financial performance.

##### Privacy and Data Security risks

As a technology-focused education business, compliance with privacy and data security legislation relating to managing information security and safeguarding customer and student data remains a paramount key consideration and impacts the way the Group approaches everything it does and the decisions it makes. The Group takes the storage of this data incredibly seriously and place the highest priority on ensuring its security.

##### Revenue risk

The K-12 market is driven by the schools' ability to fund the purchase of education technology for their students. A significant decline in school funding, changes to schools' purchasing decision processes, or education regulatory changes in any market could result in reduced demand for the Group's products. Sales made directly to consumers may also be impacted by general economic performance of a region or any regulatory changes which impact online education or online sales.

**Material Business Risks (continued)**

***Commercial contractual risk***

The Group may from time to time enter into agreements with a foreign government body. These contracts have the potential to be material and therefore there are increased liability risks through events such as breach of contract, claims, disputes or litigation and increased business risk such as failure to build strong relationships or failure to meet contractual objectives. As at 30 June 2023, no such material contracts were in place.

***Exchange rate risk***

Volatility in exchange rates can impact the Group's ability to maintain or grow margins, however, to a significant extent the Group's business currently enjoys natural hedges: the revenue that the Group obtains in a particular foreign currency closely matches the expenses it incurs in that currency (such as the British Pound). The Board believes that natural hedges presently mitigate any exchange rate volatility risk for the Group to an economically acceptable level.

**Directors' statement of compliance with duty to promote the success of the Company**

This statement by the Board of Directors describes how they have approached their responsibilities under S172 (1)(a) to (f) of the Companies Act 2006 in the financial period ending 30 June 2023.

The Directors promote the success of the Company for the benefit of the shareholders of its ultimate parent (3P Learning Limited ASX: 3PL) whilst taking into account, amongst other matters, the items headed up below.

***Consequences of any decision in the long term***

The Board of Directors monitor and review strategic objectives, against long term growth plans. Regular reviews are held across key business areas including; financial performance, risks and opportunities, Health & Safety, People and Culture and operations. The Company's performance and progress are reviewed regularly at department and board meetings.

***Interests of the Company's employees***

Employee health, safety and wellbeing is the Company's number one priority. To support us with this we utilise guidance from the HSE and other professional bodies. We also offer training and updates as and when applicable.

The Company also strives to build and nurture a culture where inclusiveness is a reflex, not an initiative - where there is a deep sense of pride, passion and belonging that transcends any role, business unit, language or country. We ensure all employees feel valued, heard and positioned to do their best work every day.

***Business relationships with suppliers, customers and others***

We recognise the importance that stakeholders outside the business such as customers and suppliers add to our business we work ethically together to ensure that our goals are met in a mutually beneficial fashion by negotiating contracts, agreeing payment terms in advance and maintaining an open dialogue with suppliers and customers.

***The impact of Company's operations on the community and environment***

As a subsidiary of 3PL, the Directors continue to promote the Organisation's Global Policies and Goals to enable teachers to assist children in learning through fun, safe and positive environment, bolstered by continual development and enhancement of our products designed to promote a 'love of learning' in all students.

3P LEARNING UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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**Directors' statement of compliance with duty to promote the success of the Company (continued)**

***Maintaining a reputation for high standards of business conduct***

The Company also supports bringing together the best of the best to create and enhance practical, meaningful products and services that make online education the best in class, while maintaining high levels of security and GDPR compliance to ensure the safety of their users.

On behalf of the board

Andrew Caldwell

Director

26 March 2024

**3P LEARNING UK LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

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The directors present their annual report and financial statements for the year ended 30 June 2023.

On the 14th April 2022 the Company's name was changed from 3P Learning Limited to 3P Learning UK Limited.

**Principal activities**

The principal activity of the Company continued to be that of developing, sales and marketing of online educational programs.

**Results and dividends**

The results for the year are set out on page 11.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

**Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrew Caldwell

Jose Palmero

Anton Clowes

**Auditor**

The auditors, TC Group, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

**Strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2013 the Company has chosen to set out in the Company's Strategic Report the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

On behalf of the board

Andrew Caldwell

**Director**

26 March 2024

**3P LEARNING UK LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2023**

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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, comprising FRS 101 "Reduced Disclosure Framework", 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 101, 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 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 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.



**3P LEARNING UK LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBER OF 3P LEARNING UK LIMITED**

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**Opinion**

We have audited the financial statements of 3P Learning UK Limited (the 'Company') for the year ended 30 June 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (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 30 June 2023 and of its profit 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 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**

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.

**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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBER OF 3P LEARNING UK LIMITED**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 and the directors' report.

We have nothing to report in respect of the following matters where 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 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, 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.

**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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBER OF 3P LEARNING UK LIMITED**

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Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (IFRS and the Companies Act 2006) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
- We considered the procedures and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-rc>  
; This description forms part of our auditor's report.

**3P LEARNING UK LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBER OF 3P LEARNING UK LIMITED**

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**Use of our report**

This report is made solely to the Company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

**James Blake FCA (Senior Statutory Auditor)**

**For and on behalf of TC Group**

**Statutory Auditor**

Office: Portsmouth

26 March 2024

3P LEARNING UK LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	£	£
Revenue	3	5,709,016	5,708,591
Administrative expenses		(4,911,201)	(4,474,028)
<b>Operating profit</b>	4	797,815	1,234,563
Finance costs	7	(16,247)	(10,058)
<b>Profit before taxation</b>		781,568	1,224,505
Tax on profit	8	(149,482)	(256,312)
<b>Profit and total comprehensive income for the financial year</b>		632,086	968,193
<b>Other comprehensive income:</b>			
<b>Total other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		632,086	968,193

The statement of profit and loss and other comprehensive income has been prepared on the basis that all operations are continuing operations.

3P LEARNING UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		2023	2022
	Notes	£	£
<b>Non-current assets</b>			
Intangible assets	10	30,125	51,524
Property, plant and equipment	11	311,833	404,418
		<u>341,958</u>	<u>455,942</u>
<b>Current assets</b>			
Trade and other receivables	12	5,519,895	5,759,309
Cash and cash equivalents		365,065	321,888
		<u>5,884,960</u>	<u>6,081,197</u>
<b>Current liabilities</b>	13	(2,993,651)	(3,760,427)
<b>Net current assets</b>		<u>2,891,309</u>	<u>2,320,770</u>
<b>Total assets less current liabilities</b>		<u>3,233,267</u>	<u>2,776,712</u>
<b>Non-current liabilities</b>	13	(398,876)	(500,218)
<b>Provisions for liabilities</b>			
Other provisions	16	(25,654)	(99,843)
<b>Net assets</b>		<u>2,808,737</u>	<u>2,176,651</u>
<b>Equity</b>			
Called up share capital	19	1	1
Retained earnings		2,808,736	2,176,650
<b>Total equity</b>		<u>2,808,737</u>	<u>2,176,651</u>

The financial statements were approved by the board of directors and authorised for issue on 26 March 2024 and are signed on its behalf by:

Andrew Caldwell  
Director

Company Registration No. 05919214

**3P LEARNING UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 JUNE 2023**

		<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 July 2021</b>		1	1,708,457	1,708,458
<b>Year ended 30 June 2022:</b>				
Profit and total comprehensive income for the year		-	968,193	968,193
Dividends	<b>9</b>	-	(500,000)	(500,000)
<b>Balance at 30 June 2022</b>		1	2,176,650	2,176,651
<b>Year ended 30 June 2023:</b>				
Profit and total comprehensive income for the year		-	632,086	632,086
<b>Balance at 30 June 2023</b>		1	2,808,736	2,808,737

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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**1 Accounting policies**

**Company information**

3P Learning UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ground Floor, Wessex House, Pixash Lane, Keynsham, Bristol, BS31 1TP. The Company's principal activities and nature of its operations are disclosed in the directors' report.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures and the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, and provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c) 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

Where required, equivalent disclosures are given in the group accounts of 3P Learning Limited, a company incorporated in Australia. The group accounts of 3P Learning Limited (Australia) are available to the public and can be obtained from ASX or on the 3P Learning Limited website: <http://www.3plearning.com/investors/results/>.

**1.2 Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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**1 Accounting policies**

**(Continued)**

**1.3 Revenue**

***Revenue from contracts with customers***

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to the customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

***Licence revenues from own intellectual property***

The Company recognises revenue pursuant to software licence agreements upon the provision of access to its customers of the Company's intellectual property as it exists at any given time during the period of the licence. Revenue is therefore recognised over the duration of the agreement or for as long as the customer has been provided access, when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

***Third party licence revenue***

The Company recognises commission revenue pursuant to a distribution agreement when it sells a third party's online products to customers which provides these customers with access to the third party's intellectual property as it exists at any given time. Where the Company retains exposure to the credit risk and service delivery risks associated with the licence of the third party product, the Company accounts for the revenues receivable as principal, recognising them over the duration of the licence agreement. Where upon selling a licence to a third party product, the Company is not exposed to any significant further risks associated with the licence agreement, the Company recognises the commission revenue receivable on a net basis, consistent with an agency relationship.

***Other revenue***

Other revenue is recognised when it is received or when the right to receive payment is established.

**1.4 Intangible assets - Customer contracts**

Customer contracts include direct incremental costs of establishing a customer contract such as sales commissions for resellers. Customer contracts are amortised over the period in which the related benefits are expected to be realised, being the customer contract period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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**1 Accounting policies** (Continued)

**1.5 Property, plant and equipment**

Property, plant and equipment 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:

Right of use assets	straight line over lease term
Fixtures and fittings	straight line over three to seven years
Office equipment	straight line over three to five years
Computers	straight line over two to three years
Motor vehicles	straight line over 8 years

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 recognised in the income statement.

**1.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 Financial assets**

Financial assets comprise; trade debtors, cash at bank and amounts due from group undertakings.

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**1.8 Financial liabilities**

The Company recognises a financial liability when the Company becomes a party to the contractual provisions of a financial instrument. The Company's financial liabilities comprise; trade and other payables, lease liabilities and taxation and social security.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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**1 Accounting policies**

**(Continued)**

***Measurement of financial liabilities***

Financial liabilities are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

**1.9 Equity instruments**

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

**1.10 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 income statement 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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the IAS 12 balance sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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 income statement, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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**1 Accounting policies**

(Continued)

**1.11 Provisions**

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**1.12 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 inventories or non-current 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.

**1.13 Retirement benefits**

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

**1.14 Leases**

At inception, the Company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

***Right-of-use assets***

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

**1 Accounting policies**

**(Continued)**

***Lease liabilities***

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Company's estimate of the amount expected to be payable under a residual value guarantee; or the Company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

***Lease receivables***

As a lessor, the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

For rental income from a sub-lease classified as a finance lease, a lease receivable is recognised at an amount equal to the net investment in the lease. Subsequent to initial measurement, the lease receivable is decreased by the sub-lease payment received, increased by interest revenue (unwinding of discounting), less any allowance for expected credit losses.

**1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

**2 Critical accounting estimates and judgements**

In the application of the Company's accounting policies, the directors are required to make judgements, 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider there to be no significant judgements or estimates that affect the amounts recognised in these financial statements.

**3 Revenue**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Revenue analysed by class of business</b>		
Licence revenues from 3PL owned products	5,662,440	5,537,652
Licence revenues from third party products	-	2,217
Customer support fee	-	167,749
Other revenue	46,576	973
	<u>5,709,016</u>	<u>5,708,591</u>

**4 Operating profit**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(10,295)	(121,496)
Fees payable to the company's auditor for the audit of the company's financial statements	11,500	15,000
Depreciation of property, plant and equipment	140,163	99,764
Profit on disposal of property, plant and equipment	(68,239)	(617)
Amortisation of intangible assets (included within administrative expenses)	98,674	49,912
	<u>98,674</u>	<u>49,912</u>

**3P LEARNING UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2023**

**5 Employees**

The average monthly number of persons (including directors) employed by the Company during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Administration	17	17
Sales and marketing	36	36
	<hr/>	<hr/>
Total	53	53
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,330,779	1,941,745
Social security costs	262,859	217,485
Pension costs	99,048	139,261
	<hr/>	<hr/>
	2,692,686	2,298,491
	<hr/>	<hr/>

**6 Directors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	94,967	66,619
Company pension contributions to defined contribution schemes	4,827	10,750
	<hr/>	<hr/>
	99,794	77,369
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

3P LEARNING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

7 Finance costs

	2023	2022
	£	£
<b>Interest on other financial liabilities:</b>		
Interest on lease liabilities	16,247	7,805
<b>Other finance costs:</b>		
Unwinding of discount on provisions	-	2,253
<b>Total finance costs</b>	<u>16,247</u>	<u>10,058</u>

8 Taxation

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	149,482	257,257
Adjustments in respect of prior periods	-	(945)
<b>Total UK current tax</b>	<u>149,482</u>	<u>256,312</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2023	2022
	£	£
Profit before taxation	<u>781,568</u>	<u>1,224,505</u>
Expected tax charge based on a corporation tax rate of 20.50% (2022: 19.00%)	160,221	232,656
Effect of expenses not deductible in determining taxable profit	142	993
Under/(over) provided in prior years	(5,153)	22,663
Fixed asset super deduction	(5,728)	-
<b>Taxation charge for the year</b>	<u>149,482</u>	<u>256,312</u>

9 Dividends

	2023	2022	2023	2022
	per share	per share	Total	Total
	£	£	£	£
<b>Ordinary</b>				
Final dividend paid	-	500,000	-	500,000



3P LEARNING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Intangible fixed assets

	Customer contracts
	£
<b>Cost</b>	
At 30 June 2022	149,759
Additions - purchased	77,275
	<u>227,034</u>
At 30 June 2023	<u>227,034</u>
<b>Amortisation and impairment</b>	
At 30 June 2022	98,235
Charge for the year	98,674
	<u>196,909</u>
At 30 June 2023	<u>196,909</u>
<b>Carrying amount</b>	
At 30 June 2023	<u>30,125</u>
At 30 June 2022	<u>51,524</u>

11 Property, plant and equipment

	Right of use asset	fixtures and fittings	Office equipment	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 30 June 2022	441,817	25,823	3,904	54,420	-	525,964
Additions	-	747	-	23,881	24,951	49,579
Disposals	-	-	(2,365)	(2,932)	-	(5,297)
	<u>441,817</u>	<u>26,570</u>	<u>1,539</u>	<u>75,369</u>	<u>24,951</u>	<u>570,246</u>
At 30 June 2023	<u>441,817</u>	<u>26,570</u>	<u>1,539</u>	<u>75,369</u>	<u>24,951</u>	<u>570,246</u>
<b>Accumulated depreciation and impairment</b>						
At 30 June 2022	90,677	4,199	1,329	25,341	-	121,546
Charge for the year	109,236	6,421	703	22,833	970	140,163
Eliminated on disposal	-	-	(1,152)	(2,144)	-	(3,296)
	<u>199,913</u>	<u>10,620</u>	<u>880</u>	<u>46,030</u>	<u>970</u>	<u>258,413</u>
At 30 June 2023	<u>199,913</u>	<u>10,620</u>	<u>880</u>	<u>46,030</u>	<u>970</u>	<u>258,413</u>

3P LEARNING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

11 Property, plant and equipment

(Continued)

	Right of use asset	Fixtures and fittings	Office equipment	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Carrying amount</b>						
At 30 June 2023	241,904	15,950	659	29,339	23,981	311,833
At 30 June 2022	351,140	21,624	2,575	29,079	-	404,418

12 Trade and other receivables

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
Trade receivables	160,518	506,602	-	-
Provision for bad and doubtful debts	(855)	(22,591)	-	-
	159,663	484,011	-	-
Amount owed by parent undertaking	4,432,080	4,141,929	-	-
Amounts owed by fellow group undertakings	859,358	-	-	-
Other receivables	-	995,333	-	104,275
Prepayments and accrued income	68,794	33,761	-	-
	5,519,895	5,655,034	-	104,275

Included within Prepayments are £0 (2022 - £4,456) of Finance lease receivables arising from the subleasing of the Company's offices.

No significant receivables balances are impaired at the reporting date.

Amounts owed by fellow group undertakings are unsecured and repayable on demand.

3P LEARNING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

**13 Liabilities**

		Current		Non-current	
		2023	2022	2023	2022
	Notes	£	£	£	£
Trade and other payables	14	152,659	246,398	-	-
Taxation and social security		30,917	205,049	-	-
Lease liabilities	15	90,488	101,603	154,352	235,254
Deferred income	17	2,719,587	3,207,377	244,524	264,964
		<u>2,993,651</u>	<u>3,760,427</u>	<u>398,876</u>	<u>500,218</u>

**14 Trade and other payables**

	2023	2022
	£	£
Trade payables	44,630	58,657
Accruals	97,000	127,990
Other payables	11,029	59,751
	<u>152,659</u>	<u>246,398</u>

**15 Lease liabilities**

	2023	2022
	£	£
<b>Maturity analysis</b>		
Within one year	92,171	105,569
In two to five years	160,777	246,304
<b>Total undiscounted liabilities</b>	<u>252,948</u>	<u>351,873</u>
Future finance charges and other adjustments	(8,108)	(15,016)
<b>Lease liabilities in the financial statements</b>	<u>244,840</u>	<u>336,857</u>

3P LEARNING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

**15 Lease liabilities**

**(Continued)**

The Company has entered into lease agreements for the use of office property in the UK and United Arab Emirates. Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	90,488	101,603
Non-current liabilities	154,352	235,254
	<u>244,840</u>	<u>336,857</u>

**16 Provisions for liabilities**

	2023 £	2022 £
Dilapidation	25,654	99,843
	<u>25,654</u>	<u>99,843</u>
Movements on provisions:		<b>Dilapidation £</b>
At 1 July 2022		99,843
Reversal of provision		(74,882)
Unwinding of discount		693
At 30 June 2023		<u>25,654</u>

**17 Deferred revenue**

	2023 £	2022 £
Arising from long term contracts	2,964,111	3,472,341
	<u>2,964,111</u>	<u>3,472,341</u>

**3P LEARNING UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2023**

**17 Deferred revenue**

**(Continued)**

**Analysis of deferred revenue**

Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Current liabilities	2,719,587	3,207,377
Non-current liabilities	244,524	264,964
	<u>2,964,111</u>	<u>3,472,341</u>

Deferred income relates to contractual liabilities obligating the Company to transfer goods or services to a customer and recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

**18 Retirement benefit schemes**

**Defined contribution schemes**

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £99,048 (2022 - £152,900).

**19 Share capital**

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Authorised</b>				
Ordinary of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Issued and fully paid</b>				
Ordinary of £1 each	1	1	1	1

**3P LEARNING UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2023**

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**20 Controlling party**

3P Learning Limited is a company limited by shares incorporated in United Kingdom. The parent of the Company is 3P Learning Limited, a company incorporated in Australia. The Company's results are included in the consolidated accounts of 3P Learning Limited, which can be obtained from <http://www.3plearning.com/investors/results>. The parent company, 3P Learning Limited is the smallest and largest group for which consolidated financial statements are prepared.

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