

**Marine Learning Alliance Ltd**  
Company Number 9188277

Annual Report and Financial Statements  
For Year Ended 30 September 2018



## **Marine Learning Alliance Ltd**

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Company Information  
for the year ended 30 September 2018

STATUTORY INFORMATION

Marine Learning Alliance Ltd is a private company, limited by shares,  
registered in England and Wales.

DIRECTORS

Dr J V Smallman  
Dr R H C Thain  
D P Loosley  
P J James

SECRETARY

D P Loosley

REGISTERED OFFICE

1 Birdcage Walk  
London  
SW1H 9JJ

REGISTERED NUMBER 9188277

Report of the Directors  
for the Year Ended 30 Sept 2018

The directors present their report with the financial statements of the company for the year ended 30 September 2018

**DIRECTORS**

The directors shown below have held office during the whole period of 1 October 2017 to 30 September 2018 unless otherwise stated.

Dr J V Smallman  
Dr R H C Thain  
D P Loosley  
P J James

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. (United Kingdom Accounting Standards and applicable law), 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 and 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;
- 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 Company's 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.

**ON BEHALF OF THE BOARD:**

Dr J V Smallman - Director

**Income Statement**  
**For the Year Ended 30 September 2018**

	Notes	<u>2018</u> £	<u>2017</u> £
Total Income	1	470,878	390,149
Cost of Sales		<u>303,963</u>	<u>273,914</u>
Gross Profit		166,915	116,235
Administrative expenses		<u>232,369</u>	<u>303,762</u>
Operating Loss		(65,454)	(187,527)
Interest payable	2	0	34,307
(Loss) on ordinary activities before tax		(65,454)	(221,834)
Taxation	3	0	0
(Loss) after tax		(65,454)	(221,834)
(Loss) for the year		(65,454)	(221,834)
Net funds as at 1 October		0	0
Net funds as at 30 September 2018		<u>(65,454)</u>	<u>(221,834)</u>

**Statement of Financial Position  
for the Year Ended 30 Sept 2018**

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Intangible Assets	5	490,583	444,771
Tangible assets	6	0	1,102
Investment		0	0
Investment in Associates		0	0
		<u>490,583</u>	<u>445,873</u>
<b>Current assets</b>			
Stock		0	0
Debtors & Prepayments	7	117,146	64,597
Cash at bank and in hand		25,727	8,559
		<u>142,873</u>	<u>73,156</u>
<b>Creditors: amounts falling d within one year</b>	8	<u>887,291</u>	<u>707,410</u>
<b>Net current assets/Liabilities</b>		<u>(744,418)</u>	<u>(634,254)</u>
<b>Debtors : due more than one year</b>		<u>0</u>	<u>0</u>
<b>Total Net Assest</b>		<u>(253,835)</u>	<u>(188,381)</u>
<b>Creditors Due &gt; 1 year</b>	9	523,885	523,885
<b>Total Net Assets</b>		<u>(777,720)</u>	<u>(712,266)</u>
<b>Represented by SHAREHOLDERS FUNDS</b>			
Called Up Share Capital		200,000	200,000
Retained Earnings		(977,720)	(912,266)
		<u>(777,720)</u>	<u>(712,266)</u>

**AUDIT EXEMPTION**

For the year ending 30 September 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006, relating to small companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

This report has been prepared in accordance with the provision of Part 15 of the Companies Act 2006 relating to small companies regime.

**ON BEHALF OF THE BOARD:**

*J. V. Smallman*

Dr J V Smallman - Director

Date : 5th April 2019

**Statement of Cashflow  
for the Year Ended 30 Sept 2018**

	<u>2018</u>
	£
<b>Cash flows from operating activities</b>	
Profit / (Loss) before taxation	(65,454)
Adjustment for:	
Depreciation of plant and equipment	1,102
Amortisation	84,191
Operating cash flows before changes in working capital	<u>19,839</u>
Total changes in working capital, net effects from:	
Amount due from holding company-trade	0
Receivables	(52,550)
Payables	179,882
Net cash (used in) operating activities	<u><u>147,171</u></u>
<b>Cash flow from investing activities</b>	
Purchase of plant & equipment	0
intangibles	(130,003)
Net cash (used in) investing activities	<u><u>(130,003)</u></u>
<b>Cash flows from financing activities</b>	
Issue of Shares	
Amount due to holding company	
Net cash generated from financing activities	<u><u>-</u></u>
Net increase / decrease in cash & cash equivalents	17,168
Add: Cash & bank balances at beginning of the year	<u>8,559</u>
Cash & bank equivalents as at end of the year.	<u><u>25,727</u></u>
Cash & cash equivalents included in the statement of cash flows comprise:	
Cash & bank balances	<u><u>25,727</u></u>

**Statement for changes of Equity  
for the Year Ended 30 Sept 2018**

	<b>Called up share capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Changes in Equity</b>			
Issue of Share capital	200,000	-	200,000
Total Comprehensive income	-	(912,266)	(912,266)
<b>Balance as at 30 September 2017</b>	<u>200,000</u>	<u>(912,266)</u>	<u>(712,266)</u>
Changes in Equity			
Total comprehensive income	-	(65,454)	(65,454)
<b>Balance as at 30 September 2018</b>	<u>200,000</u>	<u>(977,720)</u>	<u>(777,720)</u>

Notes to the Financial Statements  
for the Year Ended 30 Sept 2018

## ACCOUNTING POLICIES

### 1 Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act. In following Section 1A of FRS 102 the financial statements do not separately identify and value the constituent parts of the intangible assets acquired with Hydrographic Academy in the period ended 30 September 2015 on the basis that the cost obtaining such a valuation would outweigh the benefits to a reader of the accounts. Further details in respect of this are set out in note 5.

The financial statements have been prepared under the historical cost convention.

#### Income recognition

Income is treated as earned according to the type of income:

- Income from the sale of distance e-learning modules is accrued using the stage of completion method
- Income from residual course held is accounted for once the relevant course has been completed
- Income from one off consultancy projects or tuition over a period of time is recognised over the life of the project based on the stage of completion

#### Goodwill

The cost of the trade and e-learning modules transferred from Plymouth University on acquisition has been capitalised as goodwill, and will be amortized over its estimated useful economic life using the following annual rate of 7 years straight line.

#### Development costs

Staff and other direct costs associated with the development of further educational modules are capitalised as development costs where:

- the module has an estimated useful life of more than one year;
- there is a reasonable expectation that the revenue to be generated over the useful life of the product will exceed the expected total development costs and that those costs are separately identifiable and quantifiable; existence; and
- the future success of the modules have been assessed with reasonable certainty as to their technical feasibility and their ultimate commercial viability.

Once complete the modules are amortized over their estimated useful economic life of 7 years straight line.

An impairment review of all intangible assets was conducted in accordance to FRS 102 in year ended 30 September 2018.

The value of acquired intangible assets has not been split into its constituent parts as proposed by FRED 67, and further explained in note 5 to the accounts.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated life

- Plant and Machinery 33% on costs

**Hire purchase and leasing commitments**

Rentals paid over operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension Costs and other post retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit & loss in the period to which they relate.

**Going Concern**

The accounts have been prepared on a going concern basis, as the 100% holding company has agreed to continue supporting the company.

**2 Employees and Directors**

The average number of employees during the year was 6.

**3 OPERATING LOSS**

The operating loss is stated after charging:

	<u>2018</u>	<u>2017</u>
	£	£
Depreciation	1,102	10,896
Goodwill Amortization	28,000	28,000
Development cost amortization	56,191	41,240
Auditors remuneration	2,500	4,869

The auditors remuneration in Year Ended 30 Sep 2018, relates to fees for Year ended 30 Sep 2017 not accounted for in the Year Ending Sep 2018 accounts.

**4 EXCEPTIONAL ITEMS**

	<u>2018</u>	<u>2017</u>
	£	£
Capitalisation of staff costs	58,561	69,035

These amounts are included in intangible assets additions at cost.

Notes to the Financial Statements  
for the Year Ended 30 Sept 20185 INTANGIBLE FIXED ASSETS

	Goodwill	Development Costs	Totals
<b>COST</b>	£	£	£
At 1 October 2017	196,000	390,406	586,406
Additions	-	130,003	130,003
	-	-	-
At 30 September 2018	<u>196,000</u>	<u>520,409</u>	<u>716,409</u>
<b>AMORTIZATION</b>			
At 1 October 2017	84,000	57,635	141,636
Amortization for the year	<u>28,000</u>	<u>56,191</u>	<u>84,191</u>
At 30 September 2018	<u>112,000</u>	<u>113,826</u>	<u>225,826</u>
<b>NET BOOK VALUE</b>			
At 30 September 2018	<u>84,000</u>	<u>406,583</u>	<u>490,583</u>
At 30 September 2017	<u>112,000</u>	<u>332,771</u>	<u>444,771</u>

An impairment review of all the intangible assets was conducted, in the year ending of 30 Sep 2018 in accordance with FRS 102. This review found that no impairment provision was necessary.

In the period ended 30 Sep 2015 the Marine Learning Alliance acquired the Hydrographic Academy from Plymouth University for the sum of £200,000. The Hydrographic Academy was a unit of Plymouth University that delivered under graduate and post graduate higher education through eLearning utilising a set of learning modules, the intellectual property, developed by the unit.

The Hydrographic Academy is synonymous with eLearning and the specific higher education courses that are offered. These courses could not be offered without access to the intellectual property embodied in the modules and so it is not possible for the brand, and the goodwill associated with it, to be separated from the modules and sold.

The Marine Learning Alliance is an academic partner of Plymouth University and students who enrol on a higher education course with Marine Learning Alliance become students of Plymouth University and any certificate, diploma or degree awarded is awarded by the University. The academic partnership was not achieved or guaranteed through the purchase of the Hydrographic Academy - it is the subject of a separate contractual arrangement with the University.

FRS 102 section 18, as amended December 2017 following the Triennial review 2017, requires that intangible assets are only separated from goodwill if they arise from contractual or legal rights and the assets is capable from being separated or divided from the Marine Learning Alliance and sold. Entities may choose to separately recognise additional intangible assets acquired in a business combination if this provides useful information to the entity and the users of the financial statements.

Judgement has been applied in determining that the cost of obtaining a valuation report on the intangible assets will outweigh the benefit to a reader of these accounts. As a result, management has chosen to adopt FRS 102 as amended December 2017.

Notes to the Financial Statements  
for the Year Ended 30 Sept 2018

6 TANGIBLE FIXED ASSETS

	<b>Plant and Machinery £</b>
<b>COST</b>	
At 1 October 2017	32,821
	-
At 30 September 2018	<u>32,821</u>
 <b>DEPRECIATION</b>	
At 1 October 2017	31,719
Charge for the year	1,102
At 30 September 2018	<u>32,821</u>
 <b>NET BOOK VALUE</b>	
At 30 September 2018	<u>-</u>
	0
At 30 September 2017	<u>1,102</u>

Notes to the Financial Statements  
for the Year Ended 30 Sept 2018

## 7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2018</u>	<u>2017</u>
	£	£
Trade debtors	117,146	50,017
Other debtors	-	6,202
Prepayments	-	7,507
Accrued Income	-	871
	<u>117,146</u>	<u>64,597</u>

## 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	20,980	38,301
Other creditors	18,116	8,105
Taxation and social security	8,284	19,973
Accruals-Audit	2,500	29,415
Deferred Income	144,846	115,217
Amounts owed to group undertakings	<u>692,566</u>	<u>496,399</u>
	<u>887,291</u>	<u>707,410</u>

## 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amounts owed to group undertakings	<u>523,885</u>	<u>523,885</u>
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## 10 CAPITAL COMMITMENTS

Contracted but not provided for in the financial statements		
Within one year	-	21,153
between one and two years	-	41,626
Total	<u>-</u>	<u>62,778</u>

## 11 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The controlling party is Marine Management (Holdings) Limited.

The Ultimate controlling party is The Institute of Marine Engineering, Science and Technology (IMarEST).