
THE EDUCATIONAL RECORDING AGENCY LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

THE EDUCATIONAL RECORDING AGENCY LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

	D C Annetts
Directors	J D Barclay (appointed 1 June 2021) J C R Bell R Combes T De Lange M B Egan K E Fishman E S Gibson A J Harrower M Hood (resigned 1 June 2021) P P Kear (appointed 14 April 2022) J Kimberlin L G Lavender I S Morris J V P O'Sullivan A D Provan K E Richardson H Trubridge (resigned 14 April 2022) P F A Seheult J W Vandermeer K J Whitehead T J Wilson C Zimmermann
Company secretary	H Djurkovic
Registered number	02423219
Registered office	5th Floor, Shackleton House 4 Battle Bridge Lane London SE1 2HX
Independent auditors	BKL Audit LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London N3 1XW

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THE EDUCATIONAL RECORDING AGENCY LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the audited financial statements for the year ended 31 March 2022.

Principal activity and review of business

The principal activity of the Company is the issuing of licences for educational use of copyright works and performances to educational bodies in return for licence fees which, after deduction of expenses, are distributable to members.

The principal activity of the company is the issuing of licences for educational use of copyright works and performances to educational bodies in return for licence fees which, after deduction of expenses, are distributable to members.

The use of broadcast materials in class by teachers and lecturers is a powerful tool for enhancing teaching and learning at all levels of education from primary to tertiary. Television and radio content provides a highly effective means of illustrating and explaining complex concepts, engaging interest and stimulating debate amongst students of all ages and in all areas of study, both academic and vocational.

ERA's primary strategic objective is to maximise the value that licensees derive from the ERA Licence by providing educators with both the knowledge and means to exploit the powerful pedagogical benefits that can be derived from integrating broadcast resources into wider teaching and learning. It does so by investing in tools to help licensees identify and access the most appropriate broadcast content to stimulate the learning potential of children and young adults and by helping them understand how best to incorporate broadcast recordings into teaching and research.

The free online educational resources launched by ERA over the course of the previous financial year saw further investment to expand the range and number of broadcast resources available to ERA licensees.

In May 2021 the ERA website became home to the BBC Shakespeare Archive, containing approximately 900 full-length TV and radio productions, interviews and programmes, spanning more than 70 years, relating to Shakespeare and his work. The diverse and historically important collection ranges from modern and vintage productions of Shakespeare's plays to comedies satirising his work and times. It is an invaluable resource for students of all ages, serving the primary sector through to secondary, further and higher education. In March 2022 the Archive was expanded to include recordings of programmes broadcast over the course of the previous year.

In September 2021, to coincide with the start of the new academic year, the Natural Curriculum (www.naturalcurriculum.co.uk) expanded into KS2 maths provision and by the end of March 2022 offered almost 230 lesson plans for the teaching of maths and literacy to all four year-groups that comprise KS2.

Throughout the year the ERA Video Streaming Platform, freely available to ERA licensees through the ERA website (www.era.org.uk), continued to grow with the addition of an extensive collection of short clips of broadcast recordings, carefully selected to meet the teaching and learning needs of pupils within the primary and secondary sectors. By the end of March 2022 the total number of clips available through the service totalled approximately 3,350. In addition, from early 2022 the collection expanded beyond the BBC repertoire to include clips of programmes broadcast on Channel 4.

The ERA Licence is limited to the UK but in April of 2021 the BBC generously agreed to allow offshore access to BBC Parliament through Box of Broadcasts, which serves the higher education community.

ERA takes its responsibilities to the education sector in the UK extremely seriously and will continue to ensure that the ERA licence helps facilitate improvements in teaching and learning throughout the country

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Results and dividends

The deficit for the year, after taxation, amounted to £1,418 (2021 - £230)

Directors

The Directors who served during the year were:

D C Annetts
J D Barclay (appointed 1 June 2021)
J C R Bell
R Combes
T De Lange
M B Egan
K E Fishman
E S Gibson
A J Harrower
M Hood (Resigned 1 June 2021)
J Kimberlin
L G Lavender
I S Morris
J V P O'Sullivan
A D Provan
K E Richardson
H Trubridge (Resigned 14 April 2022)
P F A Seheult
J W Vandermeer
K J Whitehead
T J Wilson
C Zimmermann

Membership

The number of members represented during the year was 21 (2021: 22) ERA Licences do not include any Extended Collective Licensing Scheme.

Compact's membership came to an end on 31st March 2021.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Structure

ERA owns one dormant subsidiary company, Educational Resource Agency Limited.

ERA operates, on a not-for-profit basis, as a collective management organisation for the purposes of The Collective Management of Copyright (EU Directive) Regulations 2016 ("the CMO Regulations").

Each Member of ERA is entitled to nominate one representative who, subject to election by the Members of ERA, is then invited to be a non-executive Director of ERA.

Each non-executive Director of ERA also forms part of the supervisory function of ERA for the purposes of compliance with the Regulations.

Procedures for the appointment of Directors are set out in the Articles of Association of ERA. Directors may appoint alternatives to attend Board meetings in their absence.

Distribution policy

ERA Members have approved the Distribution Policy applied by ERA for the purposes of proposing and (subject to required approvals) making distributions to ERA Members.

The Company seeks approval from the Members for distribution of earned licence fees under the ERA Licensing Scheme.

The approved Distribution Policy is published on the ERA website at www.era.org.uk.

Four Distributions were made to ERA Members during the year ended 31 March 2022.

The total sums distributed were:

£3,000,000 on 30 June 2021

£3,000,000 on 30 October 2021

£3,000,000 on 30 December 2021

£3,400,000 on 31 March 2022

The total amount distributed to right holders during the year was £12,400,000 (2021: £12,000,000).

Share capital and distribution

All licences issued during the year ended 31 March 2022 were in the form of the current ERA Licence and the categories and types of rights represented by ERA on behalf of its Members is set out within the terms and conditions of the ERA Licence.

As at 1 April 2021 ERA held £2,149,813 as licence fees collected from educational establishments of Further and Higher education whose licences run from 1 August 2020 to 31 July 2021. These sums relate to licence fees relevant for the period 1 April 2021 and fall due for distribution in the financial year commencing 1 April 2021. An additional amount of £393,675 was undistributed as at 31 March 2021 meaning the total amount held by ERA on behalf of its members was £2,543,488 at this date.

As at 1 April 2022 ERA held £2,204,568 as licence fees collected from educational establishments of Further and Higher education whose licences run from 1 August 2021 to 31 July 2022. These sums relate to licence fees relevant for the period 1 April 2022 and fall due for distribution in the financial year commencing 1 April 2022. An additional amount of £380,047 was undistributed as at 31 March 2022 meaning the total amount held by ERA on

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

behalf of its members was £2,584,615 at this date.

The total revenue from the current ERA Licence during the year ended 31 March 2022 was £13,082,873 (2021: £12,672,120).

No sums were held by ERA as non-distributable amounts.

The total costs incurred in administering licences during the year were £646,289 (2021: £618,202).

No remuneration was paid to the directors during the year. Details of payments made for insurance to cover its Directors and Officers against liabilities can be found in Note 5 to the accounts.

Code of Conduct

The Company has adopted and published a Code of Conduct relating to its operations.

The Code of Conduct has been made available to the Members and is posted on the company website at www.era.org.uk.

Reserves

In accordance with the company Policy on Deductions approved by ERA Members, the Directors have agreed that it is prudent for a provision of around £30,000 to be held by the Company as unrestricted reserves to meet the obligations of the Company.

Directors' responsibilities statement

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

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited 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 audited 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 audited 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited 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 audited 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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

During the year, Haysmacintyre LLP resigned as auditors for The Educational Recording Agency Limited and Berg Kaprow Lewis LLP were appointed in their stead.

Also during the year, Berg Kaprow Lewis LLP acted as auditor to the Company until 31 March 2022. On 31 March 2022, Berg Kaprow Lewis LLP transferred its audit business to a new LLP, BKL Audit LLP. The directors consented to treating the appointment of Berg Kaprow Lewis LLP as extending to BKL Audit LLP with effect from 1 April 2022.

Under section 487(2) of the Companies Act 2006, BKL Audit LLP will be deemed to have been reappointed as auditors 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.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

H Djurkovic
Secretary

Date: 28 July 2022

THE EDUCATIONAL RECORDING AGENCY LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED

Opinion

We have audited the financial statements of The Educational Recording Agency Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet 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 2022 and of its result 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 Auditors' 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.

THE EDUCATIONAL RECORDING AGENCY LIMITED
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

THE EDUCATIONAL RECORDING AGENCY LIMITED

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

Auditors' 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 Auditors' 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:

- Enquiring of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of those charged with governance, including the audit committee and interim audit committee meeting minutes to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Detailed review of cash transactions both across office bank accounts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EDUCATIONAL RECORDING AGENCY LIMITED
(CONTINUED)**

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Auditors' 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.

Myfanwy Neville FCA (Senior Statutory Auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants

Statutory Auditors

London

28 July 2022

THE EDUCATIONAL RECORDING AGENCY LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Income		616,101	574,024
Direct costs		(74,056)	(69,929)
Gross surplus		<u>542,045</u>	<u>504,095</u>
Administrative expenses		(572,233)	(548,273)
Operating deficit	3	(30,188)	(44,178)
Interest receivable and similar income		30,188	44,178
Surplus/(deficit) before tax		<u>-</u>	<u>-</u>
Tax on surplus/(deficit)		1,418	(230)
Surplus/(deficit) for the financial year		<u><u>1,418</u></u>	<u><u>(230)</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 13 to 20 form part of these financial statements.

THE EDUCATIONAL RECORDING AGENCY LIMITED

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REGISTERED NUMBER: 02423219

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	10,160	13,296
Investments	7	1	1
		10,161	13,297
Current assets			
Debtors: amounts falling due within one year	8	651,122	630,315
Cash at bank and in hand	9	2,007,852	1,973,899
		2,658,974	2,604,214
Creditors: amounts falling due within one year	10	(2,639,947)	(2,589,741)
Net current assets		19,027	14,473
Total assets less current liabilities		29,188	27,770
Net assets		29,188	27,770
Capital and reserves			
Income and expenditure account		29,188	27,770
		29,188	27,770

THE EDUCATIONAL RECORDING AGENCY LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER: 02423219

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

D C Annetts

Director

Date: 28 July 2022

The notes on pages 13 to 20 form part of these financial statements.

THE EDUCATIONAL RECORDING AGENCY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The principal activity of the Company is the issuing of licences for educational use of copyright works and performances to educational bodies in return for licence fees which, after deduction of expenses, are distributable to members.

The Company's registered office is 5th Floor, Shackleton House, 4 Battle Bridge Lane, London, England, SE1 2HX.

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 Section 1A of 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.

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have assessed whether the Company has adequate resources to meet its obligations as they fall due and beyond the 12 months from the date of the approval of these financial statements. The Directors have reviewed their forecasts and cash flow requirements for this period.

Given the comparison of the levels of licence fee income that the ERA Licence generates to the relatively small cost base that the Company requires to operate, the Directors are confident that the Company has sufficient working capital available to continue in operational existence for the foreseeable future.

Due consideration has been given to the future possible impact of Covid-19 on the Company as part of the above forecast review and the Directors believe the going concern basis of accounting is appropriate for these annual financial statements.

2.3 Income

The Educational Recording Agency Limited ("ERA") operates a copyright licensing scheme on behalf of its members, known as the ERA Licence. ERA is authorised to collect the licence income, as agent, on behalf of its members, and is required to distribute the income under the terms of the ERA Distribution Policy. Prior to distribution, ERA is authorised by its members to retain a management fee, designed to cover ERA's running costs and reserve fund allocations, after accounting for any investment income received during the period.

In accordance with FRS 102, in its capacity as agent, the revenue recognised in the financial statements of ERA relates only to its management fee, and not the total licence fee collected on behalf of its members. This management fee income is recognised in the financial statements in the period in which the running costs are incurred, or that the reserve fund allocations are approved.

THE EDUCATIONAL RECORDING AGENCY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 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 the Statement of Comprehensive Income 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.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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.

THE EDUCATIONAL RECORDING AGENCY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 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.

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:

Short-term leasehold property	-	Over the term of the lease
Fixtures and fittings	-	15% per annum on cost
Office equipment	-	20%/33% per annum on cost

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 the Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated 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.

2.11 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 and investments in ordinary shares.

(i) Financial assets

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income and

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Expenditure account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and 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.

3. Operating loss

The operating loss is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	7,129	6,109
Fees payable to the Company's auditor of the the Company's annual financial statements	11,250	9,625
Other operating lease rentals	25,931	16,397
Pension contributions	27,507	23,471

THE EDUCATIONAL RECORDING AGENCY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Employees

The average monthly number of employees, including directors, during the year was 8 (2021 - 7).

5. Directors' remuneration

	2022	2021
	£	£
Aggregate remuneration	1,880	1,213
	1,880	1,213

The emoluments disclosed above represent the payment by the Company of insurance to cover its Directors and Officers against liabilities in relation to their duties to the Company.

6. Tangible fixed assets

	Leasehold property improvements	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2021	16,230	8,425	45,875	70,530
Additions	-	-	3,995	3,995
At 31 March 2022	16,230	8,425	49,870	74,525
Depreciation				
At 1 April 2021	9,955	5,024	42,256	57,235
Charge for the year	3,733	1,256	2,140	7,129
At 31 March 2022	13,688	6,280	44,396	64,364
Net book value				
At 31 March 2022	2,542	2,145	5,474	10,161
At 31 March 2021	6,275	3,401	3,619	13,295

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NOTES TO THE FINANCIAL STATEMENTS
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7. Fixed asset investments

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 April 2021	1
At 31 March 2022	1

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Educational Resource Agency Limited	England	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Profit/(Loss)
Educational Resource Agency Limited	1

The Subsidiary has been dormant since incorporation, its registered office is 5th Floor, Shackleton House, 4 Battle Bridge Lane, London, England, SE1 2HX.

Under the provision of section 98 of the Companies Act 2006, the Company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the Company as an individual entity.

8. Debtors

	2022	2021
	£	£
Trade debtors	1,205	4,588
Other debtors	626,480	608,485
Prepayments and accrued income	17,430	12,655
Deferred taxation	6,007	4,587
	651,122	630,315

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NOTES TO THE FINANCIAL STATEMENTS
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9. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	2,007,852	1,973,899
	2,007,852	1,973,899

10. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	25,549	17,912
Amounts owed to group undertakings	1	1
Other taxation and social security	10,532	9,965
Amounts owed to members	2,584,615	2,543,488
Accruals and deferred income	19,250	18,375
	2,639,947	2,589,741

11. Deferred taxation

	2022
	£
At beginning of year	4,589
Charged to profit or loss	1,418
At end of year	6,007

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	3,367	3,108
Tax losses carried forward	2,640	1,481
	6,007	4,589

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each member is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

13. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totaling £Nil (2021: £1,430) were payable to the fund at the balance sheet date and are included in creditors.

14. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	<i>2021</i>
	£	<i>£</i>
Not later than 1 year	21,842	<i>16,397</i>
Later than 1 year and not later than 5 years	-	<i>13,609</i>
	<u>21,842</u>	<u><i>30,006</i></u>

15. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.