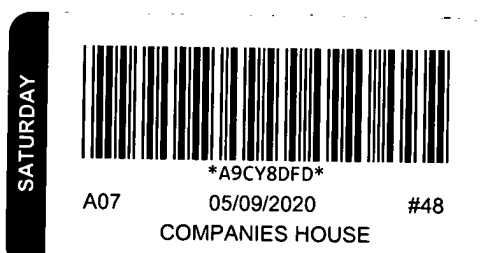


# **Prospects Distribution Services Limited**

Annual report and financial statements

For the year ended 31 August 2019



**Company No. 03656764**

# Company information

Prospects Distribution Services Limited	Registered in England & Wales
Company number	03656764
Registered office	Shaw Trust House 19 Elmfield Road Bromley Kent BR1 1LT
Directors	R W Clifton M Earl J M Oughton
Company secretary	S N King
Independent Auditor	PricewaterhouseCoopers LLP 2 Glass Wharf, Bristol, BS2 0FR

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## Directors' report

The directors present their report and the unaudited financial statements of Prospects Distribution Services Limited (the “company”) for the year ended 31 August 2019.

### Principal activities

The principal activities of the company continued to be that of the provision of educational resources including books, videos, CD-ROMs, posters and on-line materials to careers information advice and guidance companies, schools and colleges.

### Results and dividends

The unaudited financial statements of the company for the year ended 31 August 2019 are set out on pages 7 to 16. The profit for the year after taxation was £nil (17 months to 31 August 2018: profit £1,436,176). No dividend was paid or proposed in respect of the year ended 31 August 2019 (17 months to 31 August 2018: £nil).

### Directors

The directors who served during the year were:

K M Beerling (resigned on 30 September 2018)  
J N Bell (resigned 31 May 2019)  
R W Clifton (appointed 24 June 2019)  
M Earl (appointed 24 June 2019)  
J M Oughton (appointed 5 August 2019)  
D G Phipps (appointed 4 October 2018, resigned 30 April 2019)

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

## Directors' report

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.

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Going concern

The ultimate parent undertaking, The Shaw Trust Limited, has indicated that it will continue to provide financial support to the company. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Financial performance during the period of Covid-19 lockdown has been favourable to the Covid-19 scenario planning and the Trust is confident that it has sufficient financial and operational resources to operate through this period of disruption.

This report was approved by the Board of Directors and signed on its behalf by:



J M Oughton  
Director  
26th June, 2020

## Statement of comprehensive income

		<b>Year to 31 August 2019</b>	<b>17 months to 31 August 2018</b>	<b>17 months to 31 August 2018</b>	<b>17 months to 31 August 2018</b>
	<b>Note</b>	<b>£ Total</b>	<b>£ Before exceptionals</b>	<b>£ Exceptional items (note 7)</b>	<b>£ Total</b>
<b>Turnover</b>	5	-	798,751	-	798,751
Cost of sales		-	(400,195)	-	(400,195)
<b>Gross profit</b>		-	398,556	-	398,556
Administrative expenses		-	(478,941)	1,515,046	1,036,106
<b>Profit before interest and taxation</b>	6	-	(80,385)	1,515,046	1,434,662
Net interest expense		-	1,514	-	1,514
<b>(Loss)/profit before taxation</b>		-	(78,871)	1,515,046	1,436,176
Tax	9	-	-	-	-
<b>Total comprehensive (loss)/profit for the financial year / period</b>		-	(78,871)	1,515,046	1,436,176

All of the activities of the company are classified as discontinued.

## Balance sheet

	Note	At 31 August 2019		At 31 August 2018	
		£	£	£	£
<b>Current assets</b>					
Debtors	10	2		113,251	
Cash at bank and in hand		-		103,462	
		<u>2</u>		<u>216,713</u>	
Creditors: amounts falling due within one year	12	-		<u>(216,711)</u>	
<b>Net current assets</b>			<u>2</u>		<u>2</u>
<b>Total assets less current liabilities</b>			<u>2</u>		<u>2</u>
Called up share capital	13	2		2	
Profit and loss account		-		-	
		<u>2</u>		<u>2</u>	
<b>Total share capital and reserves</b>			<u>2</u>		<u>2</u>
<b>Total shareholders' funds</b>			<u>2</u>		<u>2</u>

For the year in question, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

These financial statements on pages 7 to 16 were approved by the Board of Directors on 26<sup>th</sup> June, 2020 and are signed on their behalf by:



J M Oughton  
Director

Company No: 03656764

**The accompanying notes form part of these financial statements.**

## Statement of changes in equity for the year ended 31 August 2019

	Share capital £	Profit and loss account £	Total
At 1 April 2017	2	(1,436,176)	(1,436,174)
Profit for the financial period	-	1,436,176	1,436,176
		-	
At 31 August 2018	2	-	2
Profit for the financial year	-	-	-
At 31 August 2019	2	-	2



# Notes to the financial statements

## 1 Company information

Prospects Distribution Services Limited (“the company”) operates from 1 Andrews Court, Andrews Way, Barrow-in-Furness LA14 2UE. The principal activity is set out in the Directors’ report.

The company is a private company limited by shares, incorporated in England and Wales. The registered office is situated at Shaw Trust House, 19 Elmfield Road, Bromley, Kent BR1 1LT.

## 2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group financial statements, as it is a subsidiary undertaking of Prospects Group 2011 Limited, a company registered in England and Wales, and is included in the consolidated financial statements of that company.

The company changed its accounting reference date from 31 March to 31 August in 2018 and so the results for the current period are shown for 12 months as opposed to 17 months last year.

The financial statements are presented in Sterling (£).

The company has adopted the following disclosure exemptions:

- the requirement under section 7 to present a statement of cash flows and related notes
- the requirement under section 11, financial instrument disclosures, including:
  - categories of financial instruments,
  - items of income, expenses, gains or losses relating to financial instruments, and
  - exposure to and management of financial risks.
- the requirement under section 33 to disclose related party transactions with other wholly owned group companies.

### Going concern

The ultimate parent undertaking, The Shaw Trust Limited, has indicated that it will continue to provide financial support to the company. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Financial performance during the period of Covid-19 lockdown has been favourable to the Covid-19 scenario planning and the Trust is confident that it has sufficient financial and operational resources to operate through this period of disruption.

## 3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made included in 2017-18. There are no significant judgements this year:

# Notes to the financial statements

## Deferred tax asset (note 13)

The company has unrelieved tax losses available to offset against future profits. Management has considered the extent to which these profits can be regarded as foreseeable in determining how much of the deferred tax asset should be recognised.

## **4 Principal accounting policies**

### **Tangible fixed assets**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, on a straight line basis over its expected useful life as follows:

Fixtures, fittings and equipment	-	3 to 5 years
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### **Stocks**

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell.

### **Debtors**

Short term debtors are measured at transaction price, less any impairment.

### **Creditors**

Short term trade creditors are measured at the transaction price.

### **Turnover**

Turnover is measured at the fair value, of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer, (b) the amount of revenue can be measured reliably and (c) it is probable that future economic benefits will flow to the entity.

### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

## Notes to the financial statements

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

### Employee benefits

#### Short term benefits

Short term employee benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

#### Defined contribution pension plan

The company operates a defined contribution pension 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 when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

## 5 Turnover

Turnover is derived from its principle activities which are wholly delivered in the United Kingdom.

## 6 Profit before taxation

Profit before taxation is stated after charging:

	Year to 31 August 2019 £	17 months to 31 August 2018 £
Auditors' remuneration:		
Fees payable to the company's auditors for the audit of the company's annual financial statements	-	3,400
Fees payable to the company's auditors and their associates for other services:		
Tax compliance services	-	3,225
Depreciation of tangible fixed assets	-	3,044
	<hr/>	<hr/>

## 7 Exceptional items

#### Loan waiver

During the year the immediate parent undertaking, Prospects Services had no exceptional items, (17 months to 31 August 2018 the company waived an inter-company loan balance of £1,515,046 due from Prospects Distribution Services Limited in preparation for the transfer of trade and assets to Optimus Education Limited.)

# Notes to the financial statements

## 8 Directors and employees

Staff costs, including directors' remuneration, consist of:

	Year to 31 August 2019 £	17 months to 31 August 2018 £
Wages and salaries	-	270,720
Social security costs	-	24,489
Other pension costs	-	15,716
	<u>-</u>	<u>310,925</u>

The average monthly number of full time equivalent persons employed by the company, including executive directors, was:

	Year to 31 August 2019 Number	17 months to 31 August 2018 Number
Direct delivery and contract support staff	<u>-</u>	<u>8</u>

The pension charge for the year of £Nil (17 months to 31 August 2018: £15,716) is in respect of defined contribution pension schemes.

Directors' emoluments for the year were £Nil (17 months to 31 August 2018: £nil). No contributions were made to pension schemes on behalf of the directors for the year (17 months to 31 August 2018: £nil). Directors' emoluments are included within their remuneration paid by the group company they are most associated with.

The directors are the key management personnel of the company.

# Notes to the financial statements

## 9 Tax on profit

The tax charge is based on the loss for the year and represents:

	Year to 31 August 2019 £	17 months to 31 August 2018 £
UK corporation tax	-	(60,420)
Total current tax	-	(60,420)
Deferred taxation: origination and reversal of timing differences	-	67,115
Deferred taxation: changes in tax rates	-	(7,065)
Deferred taxation: amounts in respect of prior periods	-	370
Total deferred tax	-	(60,420)
Tax on results of ordinary activities	-	-
Total tax charge	-	-
Before exceptional items	-	-
Exceptional items	-	-
	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (17 months to 31 August 2018: 19%). The differences are explained as follows:

	Year to 31 August 2019 £	17 months to 31 August 2018 £
Profit before taxation	-	1,436,176
Profit before taxation multiplied by standard rate of UK corporation tax of 19% (17 months to 31 August 2018: 19%)	-	272,873
Expenses not deductible for tax purposes	-	598
Inter-company loan waiver	-	(287,859)
Group relief	-	18,267
Payment for group relief	-	(60,421)
Adjustments in respect of prior periods (deferred tax)	-	370
Deferred taxation: changes in tax rates	-	(7,065)
Movement in un-provided deferred tax	-	63,237
Tax on profit	-	-

# Notes to the financial statements

## 10 Debtors

	2019 £	2018 £
Trade debtors	-	67,215
Amounts owed by group undertakings	-	46,036
	<u>-</u>	<u>113,251</u>

Trade debtors are stated after provisions for impairment of £nil (2018: £96).

## 11 Deferred taxation

A deferred tax asset is recognised at 17% (2018: 17%) in the financial statements as set out below:

	2019 £	2018 £
Accelerated capital allowances	<u>-</u>	<u>-</u>

A deferred asset amounting to £nil (2018: £nil) in respect of unrelieved losses has not been recognised due to uncertainty as to the recoverability in the future.

The amount of the net reversal of deferred tax expected to occur next year is £nil (2018: £nil), relating to the unrelieved losses and the reversal of other timing differences.

## 12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	25,663
Amount owed to group undertakings	-	149,864
Accruals and deferred income	-	41,184
	<u>-</u>	<u>216,711</u>

## 13 Called up share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each (2018: 2)	<u>2</u>	<u>2</u>

The company has one class of ordinary shares which carry no right to fixed income. The share carries the right to one vote in any circumstances. The share has a right to dividends and is entitled to participate in a distribution arising from a winding up of the company.

**The accompanying notes form part of these financial statements.**

## Notes to the financial statements

### **14 Reserves**

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

### **15 Related party transactions**

The company has taken advantage of the exemption in section 33 of FRS 102 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by The Shaw Trust Limited, the ultimate parent company.

Details of the directors' remuneration and key management compensation are disclosed in note 8 to the financial statements.

### **16 Ultimate parent company**

The immediate parent company is Prospects Services, a company registered in England and Wales.

The ultimate parent company is The Shaw Trust Limited, a company registered in England and Wales. The Shaw Trust Limited is the largest and smallest group of undertakings for which group financial statements have been drawn up and copies can be obtained from Third Floor, 10 Victoria Street, Bristol, England BS1 6BN.