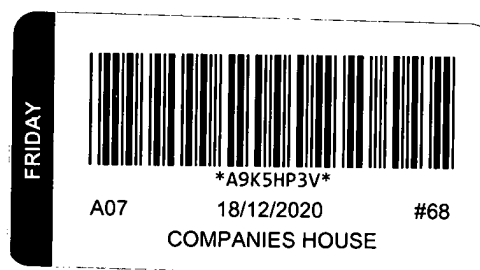


Company Registration No. 04819289 (England and Wales)

Phoenix Training Services (Midlands) Limited

**Financial statements
for the year ended 31 March 2020**

Pages for filing with the Registrar



Phoenix Training Services (Midlands) Limited

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Phoenix Training Services (Midlands) Limited

Statement of financial position

As at 31 March 2020

		2020		2019	
				As restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		60,976		-
Tangible assets	4		26,380		18,951
			<u>87,356</u>		<u>18,951</u>
Current assets					
Debtors	5	2,525,431		1,986,982	
Cash at bank and in hand		20,967		30,532	
		<u>2,546,398</u>		<u>2,017,514</u>	
Creditors: amounts falling due within one year	6	<u>(1,372,763)</u>		<u>(802,205)</u>	
Net current assets			<u>1,173,635</u>		<u>1,215,309</u>
Total assets less current liabilities			<u>1,260,991</u>		<u>1,234,260</u>
Provisions for liabilities			<u>(16,388)</u>		<u>-</u>
Net assets			<u><u>1,244,603</u></u>		<u><u>1,234,260</u></u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss reserves			<u>1,244,602</u>		<u>1,234,259</u>
Total equity			<u><u>1,244,603</u></u>		<u><u>1,234,260</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

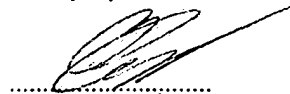
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

Phoenix Training Services (Midlands) Limited

Statement of financial position (continued)

As at 31 March 2020

The financial statements were approved by the board of directors and authorised for issue on 14/10/2020 and are signed on its behalf by:



.....
Thomas Cropper
Director

Company Registration No. 04819289

Phoenix Training Services (Midlands) Limited

Notes to the financial statements For the year ended 31 March 2020

1 Accounting policies

Company information

Phoenix Training Services (Midlands) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Smithy Court, Smithy Brook Road, Wigan, Lancashire, WN3 6PS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from services is recognised on receipt of a signed learner agreement.

1.3 Intangible fixed assets other than goodwill

Intangible assets relating to the capitalisation of costs developing the online software are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

The amortisation period commences from the date on which the asset is brought into use.

Amortisation 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:

Software	10 years straight line
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1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2020

1 Accounting policies (continued)

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:

Plant and equipment	25% on reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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 instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2020

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.8 Equity instruments

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

1.9 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.

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2020

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.11 Retirement benefits

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

1.12 Leases

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2019 - 29).

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2020

3 Intangible fixed assets

	Software £
Cost	
At 1 April 2019	-
Additions	60,976
	<hr/>
At 31 March 2020	60,976
	<hr/>
Amortisation and impairment	
At 1 April 2019 and 31 March 2020	-
	<hr/>
Carrying amount	
At 31 March 2020	60,976
	<hr/> <hr/>
At 31 March 2019	-
	<hr/> <hr/>

4 Tangible fixed assets

	Plant and equipment £
Cost	
At 1 April 2019	21,209
Additions	14,028
	<hr/>
At 31 March 2020	35,237
	<hr/>
Depreciation and impairment	
At 1 April 2019	2,258
Depreciation charged in the year	6,599
	<hr/>
At 31 March 2020	8,857
	<hr/>
Carrying amount	
At 31 March 2020	26,380
	<hr/> <hr/>
At 31 March 2019	18,951
	<hr/> <hr/>

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)

For the year ended 31 March 2020

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	155,778	290,277
Corporation tax recoverable	26,774	-
Amounts owed by group undertakings	1,719,374	1,168,098
Other debtors	623,505	528,607
	<u>2,525,431</u>	<u>1,986,982</u>

6 Creditors: amounts falling due within one year

	2020	2019
	£	As restated £
Trade creditors	88,281	147,336
Amounts owed to group undertakings	1,187,590	91,500
Corporation tax	-	248,717
Other taxation and social security	26,787	7,911
Other creditors	70,105	306,741
	<u>1,372,763</u>	<u>802,205</u>

HSBC UK Bank plc has fixed and floating charges over the assets of the company, dated 11 March 2019.

HSBC Bank plc also has a multilateral guarantee across all group companies.

Praetura Debt Limited has fixed and floating charges and a negative pledge over the assets of the Challenge Group Holdings Limited and its subsidiary undertakings, dated 29 April 2019.

7 Provisions for liabilities

	2020	2019
	£	£
Deferred tax liabilities	<u>16,388</u>	<u>-</u>

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2020

8 Called up share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Simon Kite BSc FCA.

The auditor was Saffery Champness LLP.

10 Operating lease commitments

Lessee

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

2020	2019
£	£
-	21,617
<u>-</u>	<u>21,617</u>

11 Controlling party

Challenge Recruitment Group Limited is the immediate parent company. Challenge Group Holdings Limited is the ultimate controlling party of the company.

Challenge Group Holdings Limited is the largest and smallest group in which Phoenix Training Services (Midlands) Limited is a member and for which consolidated financial statements are prepared and publicly available. A copy of the group financial statements can be obtained from Challenge Group Holdings Limited, 1 Smithy Court, Smithy Brook Road, Wigan WN3 6PS.

Phoenix Training Services (Midlands) Limited

Notes to the financial statements (continued)
For the year ended 31 March 2020

12 Prior period adjustment

Reconciliation of changes in equity

		1 August 2018	31 March 2019
	Notes	£	£
Adjustments to prior year			
Adjustments	1	413	(196,287)
Equity as previously reported		1,253,031	1,430,547
Equity as adjusted		<u>1,253,444</u>	<u>1,234,260</u>

Reconciliation of changes in profit/(loss) for the previous financial period

		2019
	Notes	£
Adjustments to prior year		
Adjustments	1	(196,287)
Profit as previously reported		177,103
Loss as adjusted		<u>(19,184)</u>

Notes to reconciliation

Prior year adjustments

A number of costs not identified by the new management during the recalculation of the accounting records last year have been identified during the current year. Due to the material total of these adjustments, a prior year adjustment has been made.