

Company Registration No. 05718817 (England and Wales)

EUROSOURCE SOLUTIONS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR



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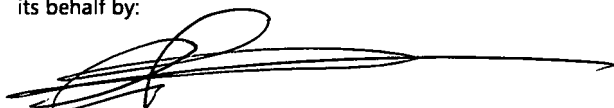
EUROSOURCE SOLUTIONS LIMITED**BALANCE SHEET****AS AT 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		12,006		16,008
			<u>12,006</u>		<u>16,008</u>
CURRENT ASSETS					
Debtors	6	136,188		84,982	
Cash at bank and in hand		270		-	
		<u>136,458</u>		<u>84,982</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(224,817)		(537,966)	
NET CURRENT LIABILITIES			<u>(88,359)</u>		<u>(452,984)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(76,353)</u>		<u>(436,976)</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8		(88,682)		(89,207)
NET LIABILITIES			<u>(165,035)</u>		<u>(526,183)</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Profit and loss reserves			<u>(165,135)</u>		<u>(526,283)</u>
TOTAL EQUITY			<u>(165,035)</u>		<u>(526,183)</u>

The directors of the company have elected not to include a copy of the profit and loss account 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.

The financial statements were approved by the board of directors and authorised for issue on 26 March 2021 and are signed on its behalf by:



Mr A E Phillips
DIRECTOR

COMPANY REGISTRATION NO. 05718817

1 ACCOUNTING POLICIES

COMPANY INFORMATION

Eurosource Solutions Limited is a private company limited by shares incorporated in England and Wales whose registered office is located at 19 Highfield Road, Edgbaston, Birmingham, B15 3BH. The trading address of the company is located at Leeds House, 79a High Street, Newcastle-under-Lyme, Staffordshire, ST5 1PS.

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 £1.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of BCTG Limited. These consolidated financial statements are available from its registered office at 19 Highfield Road, Edgbaston, Birmingham, B15 3BH.

1 ACCOUNTING POLICIES

(Continued)

1.2 GOING CONCERN

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the company being able to operate and come to terms with the impact of the 2020 Covid-19 pandemic and also upon the continued support of the company's parent undertaking, BCTG Limited, to ensure adequate facilities are available for the company to discharge its liabilities as they fall due.

At the present time there are many unknown variables which makes forecasting the future results and impact upon the company of the Covid-19 pandemic very difficult.

The directors recognise that the current situation is uncertain but they have considered the position of the company both at present and for the future given the current information available.

The directors have considered the various income streams of the company, anticipated costs, future cash flows and the various options available to them.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue indefinitely, although at the date of approval of these financial statements, the directors are in receipt of a letter from the company's parent undertaking indicating that support will be available for the foreseeable future.

Based on this undertaking, the directors believes that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

The company has made a profit before tax for the year ended 31 March 2020 of £350,243 (period ended 31 March 2019 - loss before tax of £449,055) and at the balance sheet date had net liabilities of £165,035 (31 March 2019 - net liabilities of £526,183).

1.3 TURNOVER

Turnover represents the net invoiced sale of educational courses provided under contracts, excluding Value Added Tax, where the company obtains the right to consideration.

Income is recognised on contracts as they are completed subject to any provision for potential clawbacks.

1.4 INTANGIBLE FIXED ASSETS - GOODWILL

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years. As at 31 March 2019 goodwill was fully amortised.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 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.

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:

Fixtures and fittings	25% reducing balance method
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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 ACCOUNTING POLICIES

(Continued)

1.6 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

1.8 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 balance sheet 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 and cash and bank balances, 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.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 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.

1.10 TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusions of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

1.11 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 RETIREMENT BENEFITS

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

1.13 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.

EUROSOURCE SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was 23 (2019 - 33).

	2020	2019
	Number	Number
Total	23	33

4 INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 April 2019 and 31 March 2020	10,025
AMORTISATION AND IMPAIRMENT	
At 1 April 2019 and 31 March 2020	10,025
CARRYING AMOUNT	
At 31 March 2020	-
At 31 March 2019	-

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings
	£
COST	
At 1 April 2019 and 31 March 2020	45,382
DEPRECIATION AND IMPAIRMENT	
At 1 April 2019	29,374
Depreciation charged in the year	4,002
At 31 March 2020	33,376
CARRYING AMOUNT	
At 31 March 2020	12,006
At 31 March 2019	16,008

EUROSOURCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 DEBTORS

	2020	2019
	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR:		
Trade debtors	117,012	79,684
Amounts owed by group undertakings	4,119	-
Other debtors	4,152	5,298
	125,283	84,982
Deferred tax asset	10,905	-
	136,188	84,982

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts	131,964	118,750
Trade creditors	37,965	76,134
Amounts owed to group undertakings	-	225,832
Taxation and social security	26,371	106,489
Other creditors	28,517	10,761
	224,817	537,966

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts	54,426	89,207
Other creditors	34,256	-
	88,682	89,207

EUROSOURCE SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020****9 LOANS AND OVERDRAFTS**

	2020	2019
	£	£
Bank loans	82,345	120,242
Bank overdrafts	104,045	87,715
Other loans	18,000	-
	<u>204,390</u>	<u>207,957</u>
Payable within one year	149,964	118,750
Payable after one year	54,426	89,207
	<u>149,964</u>	<u>89,207</u>

All assets and trade debts are secured by a cross guarantee raised by Barclays Bank on 31 July 2009 between BCTG Limited and The Apprenticeshipworks Ltd and Eurosource Solutions Limited.

Bank loans and overdrafts with Barclays Bank and the Royal Bank of Scotland totalling £186,390 as at 31 March 2020 (31 March 2019 - £207,597) included within creditors are secured by fixed and floating charges over the company's assets.

10 OPERATING LEASE COMMITMENTS

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

	2020	2019
	£	£
Total outstanding commitments	34,372	43,226
	<u>34,372</u>	<u>43,226</u>

11 CALLED UP SHARE CAPITAL

	2020	2019
	£	£
ORDINARY SHARE CAPITAL ISSUED AND FULLY PAID		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

EUROSOURCE SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2020**

12 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.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

In forming our opinion on the financial statements we have considered the adequacy of the disclosure made in the notes to the financial statements concerning the company's ability to continue as a going concern. Although the company made a profit before tax totalling £350,243 during the year ended 31 March 2020 (period ended 30 June 2019 - loss before tax totalling £449,055) the company has net liabilities totalling £165,035 as at 31 March 2020 (31 March 2019 - net liabilities totalling £526,183). A letter of support from the company's parent company has been provided. These conditions indicate the existence of some uncertainty which may cast doubt upon the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was Marcus Rose FCA CTA.

The auditor was JW Hinks LLP.

13 RELATED PARTY TRANSACTIONS**TRANSACTIONS WITH RELATED PARTIES**

During the year the company entered into the following transactions with related parties:

	Purchases	
	2020	2019
	£	£
Other related parties	4,826	6,161
	=====	=====
	2020	2019
	£	£
AMOUNTS DUE TO RELATED PARTIES		
Other related parties	-	4,302
	=====	=====

OTHER INFORMATION**TRANSACTIONS WITH MEMBERS OF THE BCTG GROUP OF COMPANIES**

The company has taken advantage of exemption of Section 33 of FRS 102, Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

14 PARENT COMPANY

The ultimate parent company is BCTG Limited, a company incorporated in England and Wales, whose registered office is located 19 Highfield Road, Edgbaston, Birmingham, B13 3BH.

15 GOING CONCERN

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the company being able to operate and come to terms with the impact of the 2020 Covid-19 pandemic and also upon the continued support of the company's parent undertaking, BCTG Limited, to ensure adequate facilities are available for the company to discharge its liabilities as they fall due.

At the present time there are many unknown variables which makes forecasting the future results and impact upon the company of the Covid-19 pandemic very difficult.

The directors recognise that the current situation is uncertain but they have considered the position of the company both at present and for the future given the current information available.

The directors have considered the various income streams of the company, anticipated costs, future cash flows and the various options available to them.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue indefinitely, although at the date of approval of these financial statements, the directors are in receipt of a letter from the company's parent undertaking indicating that support will be available for the foreseeable future.

Based on this undertaking, the directors believes that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

The company has made a profit before tax for the year ended 31 March 2020 of £350,243 (period ended 31 March 2019 - loss before tax of £449,055) and at the balance sheet date had net liabilities of £165,035 (31 March 2019 - net liabilities of £526,183).