

**LEICESTER COLLEGE  
APPRENTICESHIP TRAINING AGENCY LIMITED**

**Company Registration No. 08275867**

**Annual Report and Financial Statements  
for the year ended 31 July 2016**



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## **OFFICERS AND PROFESSIONAL ADVISORS**

### **Directors**

Verity Hancock

Jill Wells (appointed 1 August 2015)

### **Secretary**

Graydon Thwaite (resigned 31 July 2016)

Louise Hazel (appointed 1 August 2016)

### **Registered Office**

Leicester College  
Freemen's Park Campus  
Welford Road  
Leicester  
LE2 7LW

### **Bankers**

Barclays Bank plc  
P O Box 18  
Old Market Square  
Nottingham  
NG1 6FX

### **Solicitors**

Martineau  
No 1 Colmore Square  
Birmingham  
B4 6AA

### **Auditors**

KPMG LLP  
1 Waterloo Way  
Leicester  
LE1 6LP

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 July 2016.

### **ACTIVITIES**

The company was incorporated on 31 October 2012. The company is a wholly owned subsidiary of Leicester College. The principal activity of the company is an apprenticeship training agency.

### **REVIEW OF ACTIVITIES**

During the year the company made a profit before taxation of £10,473 which was transferred under Gift Aid to Leicester College.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

There were no dividends paid or proposed during the year.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

V Hancock

J Wells

### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who were in office on the date of the approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

### **AUDITORS**

KPMG have expressed their willingness to continue in office and a resolution to reappoint them will be made at the annual general meeting.

## DIRECTORS' REPORT (continued)

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors

Freemen's Park Campus  
Welford Road  
Leicester  
LE2 7LW



Jill Wells  
Director

16 March 2017

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEICESTER COLLEGE APPRENTICESHIP TRAINING AGENCY LIMITED**

We have audited the financial statements of Leicester College Apprenticeship Training Agency Limited for the year ended 31 July 2016 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 auditor's 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.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its results for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter prescribed by the Companies Act 2006**

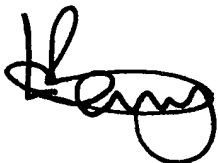
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEICESTER COLLEGE APPRENTICESHIP TRAINING AGENCY LIMITED (continued)**

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Ian Borley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Waterloo Way  
Leicester  
LE1 6LP

*5th April,* ..... 2017

## **PROFIT AND LOSS ACCOUNT**

### **For the year ended 31 July 2016**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Turnover	2	474,481	579,481
Cost of Sales		(418,583)	(504,688)
<b>Gross Profit</b>		<b>55,898</b>	<b>74,793</b>
Administrative expenses		(45,425)	(70,596)
<b>Profit on ordinary activities before taxation</b>	3	<b>10,473</b>	<b>4,197</b>
Tax on profit on ordinary activities	5	(2,095)	(839)
<b>Profit on ordinary activities after taxation</b>		<b>8,378</b>	<b>3,358</b>

## **OTHER COMPREHENSIVE INCOME**

### **For the year ended 31 July 2016**

There were no recognised gains or losses other than the profit attributable to the shareholder of the company.

The above results are derived from the company's continued operations.

The notes on pages 11 to 18 form part of the financial statements.



# Leicester College Apprenticeship Training Agency Limited

## BALANCE SHEET As at 31 July 2016

Company Registration No. 08275867

	Notes	2016 £	2015 £
<b>Current Assets</b>			
Debtors	6	78,815	95,929
Cash at bank and in hand		115,600	35,388
		<hr/>	<hr/>
		194,415	131,317
<b>Creditors: Amounts falling due within one year</b>	7	(194,414)	(131,316)
		<hr/>	<hr/>
<b>Net current assets</b>		1	1
		<hr/>	<hr/>
<b>Net assets</b>		1	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	8	1	1
Profit and loss account		-	-
		<hr/>	<hr/>
<b>Total equity shareholder's funds</b>		1	1
		<hr/>	<hr/>

The notes on pages 11 to 18 form part of the financial statements.

The financial statements on pages 8 to 18 were approved by the Board of Directors and authorised for issue on 16 March 2017.

Signed on behalf of the Board of Directors

  
.....  
**Jill Wells**  
**Director**

# STATEMENT OF CHANGES IN EQUITY

## At 31 July 2016

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2014	1	-	1
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	3,358	3,358
Taxation	-	839	839
Total comprehensive income for the year	-	4,197	4,197
Deed of covenant	-	(4,197)	(4,197)
<b>Balance at 31 July 2015</b>	1	-	1
Balance at 1 August 2015	1	-	1
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	8,378	8,378
Taxation	-	2,095	2,095
Total comprehensive income for the year	-	10,473	10,473
Deed of covenant	-	(10,473)	(10,473)
<b>Balance at 31 July 2016</b>	1	-	1

The notes on pages 11 to 18 form part of the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 July 2016**

#### **1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Leicester College Apprenticeship Training Agency Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. However, some presentation changes relating to the Deed of Covenant and taxation have been made. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in note 12.

The Company's ultimate parent undertaking, Leicester College includes the Company in its consolidated financial statements. The consolidated financial statements of Leicester College are prepared in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102, and are available to the public and may be obtained from Leicester College, Freeman's Park Campus, Welford Road, Leicester, LE2 7LW. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

#### **Measurement Convention**

The financial statements are prepared on the historical cost basis except financial instruments classified at fair value through the profit or loss which are stated at their fair value.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 July 2016**

#### **1. ACCOUNTING POLICIES continued**

##### **Going Concern**

The activities of the company, together with the factors likely to affect its future development and performance are set out in the Directors' Report. The financial position of the company is described in the financial statements and accompanying notes.

The company does not currently have any loans outstanding with bankers. Forecasts and financial projections indicate that the company will be able to operate within this facility for the foreseeable future.

Accordingly, the company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

##### **Foreign Currencies**

The presentation currency of these financial statements is Sterling.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

##### **Revenue Recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured as the fair value of the consideration received, excluding any discounts and VAT.

##### **Basic Financial Instruments**

###### **Financial Assets – Trade and other debtors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. The assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period the financial assets are assessed for evidence of impairment. If an asset is impaired, the impairment loss is recognised in the profit and loss. 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.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 July 2016**

#### **1. ACCOUNTING POLICIES continued**

##### **Financial Liabilities – Trade and other creditors**

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial Liabilities are derecognised when liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances.

##### **Taxation**

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

##### **Current taxation**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

##### **Deferred taxation**

Deferred taxation is provided in full in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in either an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax balance has not been discounted.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 July 2016

#### 2. TURNOVER

Turnover, which is stated net of value added tax, represents the provision of goods and services which fall within the company's ordinary activities.

#### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £	2015 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration:      audit work	1,200	1,200
non-audit work	1,350	960
	<hr/>	<hr/>

#### 4. STAFF COSTS

The average number of persons employed by the Company during the year, described as full time equivalents, was:

	2016	2015
	53	66
	<hr/>	<hr/>
The staff costs for the above persons was:		
	£	£
Wages and Salaries	416,135	497,385
Social Security Costs	2,269	6,691
Other Pension Costs	179	613
	<hr/>	<hr/>
	418,583	504,689
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Directors' remuneration is included in Leicester College's financial statements. The directors of the company are also directors, governors or employees of that College. It is not practicable to allocate their remuneration between their services to the College and their services to the company.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 July 2016

#### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Total tax expense recognised in the profit and loss account, other comprehensive income and equity.

<b>Tax expense</b>	<b>2016 £</b>	<b>2015 £</b>
Recognised in profit and loss	2,095	839
Recognised directly in equity	(2,095)	(839)
	<u>-</u>	<u>-</u>

No liability to deferred taxation has arisen in this financial year.

In accordance with the Deed of Covenant a provision has been made in the accounts to eliminate the Company's taxable profits via a gift aid payment to the parent entity.

The tax assessed for the year is calculated at the current rate of 20% (2015: 20%). The differences are explained below:

	<b>2016 £</b>	<b>2015 £</b>
Profit on ordinary activities before tax	10,473	4,197
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	2,095	839
Tax effect of:		
Gift Aid	(2,095)	(839)
	<u>-</u>	<u>-</u>

#### 6. DEBTORS

	<b>2016 £</b>	<b>2015 £</b>
Due within one year:		
Trade debtors	78,735	95,380
Other debtors	80	549
	<u>78,815</u>	<u>95,929</u>

Trade debtors are stated after provision for impairment of £2,397 (2015: nil).

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 July 2016

#### 7. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,335	916
Amounts owed to parent undertaking	151,825	105,453
Other taxation and social security	22,600	7,081
Accruals and deferred income	2,550	2,490
Other creditors	16,104	15,376
	<hr/>	<hr/>
Total	194,414	131,316
	<hr/>	<hr/>

Amounts owed by group undertakings are repayable on demand. Interest is charged at 5%.

#### 8. SHARE CAPITAL

	2016 £	2015 £
Authorised, allotted, called-up and fully paid:		
1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

#### 9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Leicester College Apprenticeship Training Agency Limited is a wholly owned subsidiary of Leicester College and included in that college's consolidated financial statements. Consolidated financial statements are available from Leicester College, Freeman's Park Campus, Welford Road, Leicester, LE2 7LW, the College and subsidiary company's principal place of business.

#### 10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under paragraph 33.1a of the provisions of FRS 102 Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by Leicester College, whose financial statements are publically available.



## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the year ended 31 July 2016**

#### **11. ACCOUNTING ESTIMATES AND JUDGEMENTS**

##### Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### Impairment of debtors

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 6 for the net carrying amount of the debtors and associated impairment provision.

##### Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.

#### **12. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 July 2016 and the comparative information presented in these financial statements for the year ended 31 July 2015.

In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting UK GAAP. An explanation of how the transition from UK GAAP to FRS 102 has affected the Company's financial position and financial performance is set out in the following tables (and the notes that accompany the tables).

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 July 2016

#### 12 EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP continued

##### Reconciliation of total comprehensive income

	<b>2015</b>
Profit for the year after taxation under previous UK GAAP	-
Deed of covenant to parent company (a)	4,197
Taxation on profit for the year after taxation (a)	(839)
	<hr/>
Total effect of transition to FRS 102	3,358
	<hr/>
Total comprehensive income for the year under FRS 102	3,358
	<hr/>

(a) The deed of covenant paid by the company to the parent undertaking was previously recognised in administrative expenses. Under FRS 102 the deed of covenant is recognised as a movement in the profit and loss account reserve.

##### Reconciliation of Equity

The above adjustments did not impact the balance of equity at 31 July 2015.