

Financial Statements Shropshire College Management Limited

For the year ended 31 July 2016

Registered number: 08676686



Shropshire College Management Limited

Company Information

| | |
|----------------------------|---|
| Directors | Fiona O'Brien Martin Smith |
| Registered number | 08676686 |
| Registered office | c/o New College Telford King Street Wellington Shropshire TF1 1NY |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham West Midlands B4 6AT |
| Bankers | Barclays Bank plc Barclays Business Centre 23 Church Street Wellington Shropshire TF1 1DQ |

Shropshire College Management Limited

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Shropshire College Management Limited

Directors' Report

For the year ended 31 July 2016

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

Principal activities

The principal activity is managing the use of the asset held by Shropshire College Management Limited for use by Shropshire College Hotel School Limited.

Results and dividends

The loss for the year, after taxation, amounted to (£18,745) (2015: profit £9,129).

Directors

The directors who served during the year were:

Fiona O'Brien
Martin Smith

The directors received no remuneration from the Company in relation to their role as directors during the period. Their remuneration is provided through the company's parent entity.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

Shropshire College Management Limited

Directors' Report

For the year ended 31 July 2016

Going Concern

After making appropriate enquiries, the Board considers that the company has the adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The above report has been prepared whilst taking advantage of the small companies exemption.

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



Martin P Smith

12 December 2016

Independent Auditor's Report to the Members of Shropshire College Management Limited

We have audited the financial statements of Shropshire College Management Limited for the year ended 31 July 2016, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 4, 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 (APB'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.

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 loss for year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Shropshire College Management Limited

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



John Golding
Senior Statutory Auditor
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 19 DECEMBER 2016

Profit and Loss Account

For the year ended 31 July 2016

| | Note | Year ended 31 July 2016 £ | Year Ended 31 July 2015 £ |
|---|------|------------------------------------|------------------------------------|
| Turnover (Management Charges) | 1,2 | 78,000 | 78,000 |
| Gross profit | | 78,000 | 78,000 |
| Administrative expenses | | (69,358) | (41,511) |
| Depreciation | | (27,387) | (27,360) |
| Operating profit / (loss) | 3 | (18,745) | 9,129 |
| (Loss)/Profit on ordinary activities before taxation | | (18,745) | 9,129 |
| Tax on (loss)/profit on ordinary activities | 4 | - | - |
| (Loss)/Profit for the financial period | 9 | (18,745) | 9,129 |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 other than those included in the Profit and loss account.

The notes on pages 10 to 13 form part of these financial statements.

Balance Sheet

As at 31 July 2016

| | Note | £ | 2016 £ | £ | 2015 £ |
|---|------|---------------|------------------|---------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | <u>1,799,617</u> | | <u>1,827,004</u> |
| Current assets | | | | | |
| Debtors & Prepayments | 6 | 85,800 | | 46,800 | |
| Cash at bank and in hand | | <u>62,899</u> | | <u>91,868</u> | |
| Creditors: amounts falling due within one year | 7 | | <u>9,960</u> | | <u>8,571</u> |
| Net current assets | | | <u>138,739</u> | | <u>130,097</u> |
| Net assets | | | <u>1,938,356</u> | | <u>1,957,101</u> |
| Capital and reserves | | | | | |
| Opening shareholders' funds | | | 1,957,101 | | 1,917,972 |
| Called up share capital | 8 | | - | | - |
| Share Premium (Investment from Parent) | 10 | | - | | 30,000 |
| Profit and loss account | 9 | | <u>(18,745)</u> | | <u>9,129</u> |
| Shareholders' funds | 10 | | <u>1,938,356</u> | | <u>1,957,101</u> |

These accounts have been prepared in accordance with the special provisions in part 15 of Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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



Martin P Smith

12 December 2016

The notes on pages 10 to 13 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 July 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008).

1.2 Going concern

The directors have considered the company's ability to continue as a going concern. Given the forecast trading and cash flow performance of the company, and the support available from its parent, New College Telford, the directors consider that the going concern basis of the accounting continues to be appropriate for the preparation of the financial statements.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover represents the value, net of value added tax and discounts, of management charges to Shropshire College Hotel School Limited, a group company.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value of 40%, over their expected useful lives on the following bases:

Land and Buildings - 15-50 years

During the year the buildings were depreciated on a 40 year straight line basis of cost, after allowing for a residual value of 40%.

1.6 Pensions

The company operates no pension scheme as there are no employees.

1.7 Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior period, and are unpaid at the reporting date. They are calculated according to tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets and liabilities are recognised as a component of the tax expense in the profit and loss account.

1.8 Related party transactions

Under the terms of Financial Reporting Standard 8 'Related Party Disclosures', the company is exempt from the requirement to disclose transactions with entities that are wholly owned subsidiaries of New College Telford, the company's ultimate parent undertaking.

Notes to the Financial Statements

For the year ended 31 July 2016

2. Turnover

The whole of the turnover is attributable to the management charges associated with property management.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

| | Year Ended 31 July 2016 £ | Year Ended 31 July 2015 £ |
|---|------------------------------------|------------------------------------|
| Amortisation - intangible fixed assets | - | - |
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 27,387 | 27,360 |
| Auditor's remuneration | | |
| - fees payable to the company's auditors in respect of audit services | 4,000 | 5,700 |
| Operating lease rentals: | | |
| - other operating leases | - | - |

During the 12 months, no director received any emoluments.

4. Taxation

| | Year Ended 31 July 2016 £ | Year Ended 31 July 2015 £ |
|------------------------|------------------------------------|------------------------------------|
| Corporation tax charge | - | 1,810 |

Factors affecting tax charge for the 12 months

The tax assessed for the 12 months is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

| | Year Ended 31 July 2016 £ | Year Ended 31 July 2015 £ |
|---|------------------------------------|------------------------------------|
| Profit on ordinary activities before tax | (18,745) | 9,129 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% | - | 1,826 |
| Effects of: | | |
| Group loss relief / Charitable Donations | - | (16) |
| Current tax credit for the year (see note above) | - | 1,810 |

Factors that may affect future tax charges

Group loss relief within the Shropshire College Group and charitable donations made to New College Telford.

Notes to the Financial Statements

For the year ended 31 July 2016

5. Tangible fixed assets

| | Land and Buildings £ | Total £ |
|-----------------------|----------------------------|------------|
| Cost | | |
| At 1 August 2015 | 1,899,877 | 1,899,877 |
| Additions | - | - |
| Acquired | - | - |
| | <hr/> | <hr/> |
| At 31 July 2016 | 1,899,877 | 1,899,877 |
| | <hr/> | <hr/> |
| Depreciation | | |
| At 1 August 2015 | 72,873 | 72,873 |
| Charge for the year | 27,387 | 27,387 |
| | <hr/> | <hr/> |
| At 31 July 2016 | 100,260 | 100,260 |
| | <hr/> | <hr/> |
| Net book value | | |
| At 31 July 2016 | 1,799,617 | 1,799,617 |
| | <hr/> | <hr/> |
| At 31 July 2015 | 1,827,004 | 1,827,004 |
| | <hr/> | <hr/> |

6. Debtors

| | Year Ended 31 July 2016 £ | Year Ended 31 July 2015 £ |
|------------------------------------|---------------------------------|---------------------------------|
| Amounts owed by group undertakings | 85,800 | 46,800 |
| Prepayments and accrued income | - | - |
| | <hr/> | <hr/> |
| | 85,800 | 46,800 |
| | <hr/> | <hr/> |

7. Creditors: Amounts falling due within one year

| | Year Ended 31 July 2016 £ | Year Ended 31 July 2015 £ |
|-----------------|---------------------------------|---------------------------------|
| Other creditors | 9,960 | 8,571 |
| | <hr/> | <hr/> |
| | 9,960 | 8,571 |
| | <hr/> | <hr/> |

Notes to the Financial Statements

For the year ended 31 July 2016

8. Share capital

| | Year Ended 31 July 2016 | Year Ended 31 July 2015 |
|---|----------------------------|----------------------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 Ordinary shares of £1 each | 1 | 1 |

9. Reserves

| | Year Ended 31 July 2016 | Year Ended 31 July 2015 |
|--------------------------------|----------------------------|----------------------------|
| | £ | £ |
| Profit and loss account | | |
| At 1 August | 8,950 | (179) |
| Profit / loss for the period | (18,745) | 9,129 |
| At 31 July | (9,795) | 8,950 |

10. Reconciliation of movement in shareholders' funds

| | Year Ended 31 July 2016 | Year Ended 31 July 2015 |
|---------------------------------|----------------------------|----------------------------|
| | £ | £ |
| Opening shareholders' funds | 1,957,101 | 1,917,972 |
| Investment from parent | - | 30,000 |
| Profit / (Loss) for the period | (18,745) | 9,129 |
| Shares issued during the period | - | - |
| Closing shareholders' funds | 1,938,356 | 1,957,101 |

11. Contingent liabilities

The company has no contingent liabilities.

12. Capital commitments

The company has no capital commitments.

13. Related party transactions

The company has taken advantage of the exemption in 'FRS8 Related Party Disclosures' not to disclose transactions with wholly owned group entities, whose voting rights are held within the group, and which are included in the financial statements of New College Telford.

14. Ultimate parent undertaking and controlling party

The immediate parent, ultimate holding company and ultimate controlling party is New College Telford, a Corporation established under the Further and Higher Education Act 1992 in England and Wales, by virtue of their 100% shareholding in Shropshire College Management Limited.

Copies of the New College Telford accounts are available from King Street, Wellington, Telford, TF1 1NY.