

# **Examination & Assessment Services Limited**

Registered number: SC099878

## **Annual report and financial statements**

**For the year ended 31 July 2020**



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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**COMPANY INFORMATION**

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**Directors** I M Sackree  
M J Kelly

**Company secretary** M J Kelly

**Registered number** SC099878

**Registered office** C/O Mazars  
100 Queen Street  
Glasgow  
G1 3DN

**Independent auditor** Mazars LLP  
Chartered Accountants & Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

**Incorporation** Examination & Assessment Services Limited was incorporated on the 3 July 1986. Registered in Scotland and incorporated under the Companies Act 1985 as a Private Limited Company, limited by shares.

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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## **EXAMINATION & ASSESSMENT SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020**

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The Directors present their report and the financial statements for the year ended 31 July 2020.

#### **Directors' responsibilities statement**

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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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 to 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £7,015k (2019 - loss £124k).

No dividends were paid or proposed during the year.

#### **Directors**

The Directors who served during the year were:

I M Sackree  
M J Kelly

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2020**

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**Implications of Britain leaving the European Union**

The current impact of Brexit has had less of an impact within the further education sector than in other areas. However, there are areas that could affect the sector post Brexit, particularly around the freedom of movement and funding.

Freedom of movement could be one of the biggest areas that could affect the sector. With a reduction in inward EU migration, a potential skills shortage in certain areas could lead to change in the type of education/training needed to meet the new requirements with the UK. Access to lecturers from within the EU could be restricted, leading to potential supply and demand issue within certain subjects. In addition to this the number of courses being taken up by EU nationals would reduce.

Funding from the Government should largely be unaffected by Brexit with an expectation that it will continue the changing requirements in demand post Brexit. However, there could be concerns around funds from EU sources or changes in demand from the private sector.

It is likely Brexit will have an impact on the business and wider sector in the coming years, however with sufficient planning we will look to position ourselves to mitigate any potential risks and maximise any potential opportunities.

**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 the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

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## EXAMINATION & ASSESSMENT SERVICES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

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#### Director's indemnity

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

#### Going concern

Covid-19 has had a significant impact on how the business operates and how FE colleges and Universities deliver education, skills and training in the future. The company swiftly introduced full scale remote working to ensure business continuity and employee safety. The company has also sought out new opportunities that have been presented throughout the crisis by enhancing new and existing client relationships and determining new ways of delivering services.

Prior to Covid-19 outbreak the company was in a strong position with a growing sales book and a robust balance sheet. The company had also identified a clear strategy for growth, supplying to Higher Education Institutions and Independent Training Providers as diversified expansion over the existing Further Education market. Investment has been made to recruit experienced Recruitment Consultant staff to propel this growth and these have mostly been retained, pending scaled business resumption.

Liquidity is being maintained through strong cash management, ensuring there are no immediate cashflow concerns. The company has taken advantage of business support provided by the Government and has also secured a £1.5m loan through CBILS, ring fenced for emergencies but available to support investing activities as required. The Directors have also performed a detailed stress test to confirm that the business will be able to operate for the next 12 months. In the worst-case scenario, the company has sufficient reserves to successfully operate on minimal income (10% of plan) for at least 12 months, with no reduction in overhead costs. This worst-case scenario is not expected, as it is significantly below the 50% reduction seen during full college closures in mid-2020.

As at the date of this report, the Directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.


#### Auditor

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

#### Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

  
I M Sackree (Apr 26, 2021 09:25 GMT+1)

**I M Sackree**  
Director

Date: Apr 26, 2021

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## EXAMINATION & ASSESSMENT SERVICES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXAMINATION & ASSESSMENT SERVICES LIMITED

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#### Opinion

We have audited the financial statements of Examination & Assessment Services Limited (the 'Company') for the year ended 31 July 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are

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## **EXAMINATION & ASSESSMENT SERVICES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXAMINATION & ASSESSMENT SERVICES LIMITED**

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required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of Directors**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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## EXAMINATION & ASSESSMENT SERVICES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXAMINATION & ASSESSMENT SERVICES LIMITED

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#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

#### Use of the audit report

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.

  
David Hoose (Apr 26, 2021 09:43 GMT+1)

David Hoose (Senior statutory auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants  
Statutory Auditor

Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: Apr 26, 2021

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2020**

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	Note	2020 £000	2019 £000
Turnover		1,495	1,561
Cost of sales		(1,326)	(1,377)
<b>Gross profit</b>		<u>169</u>	<u>184</u>
Administrative expenses		(278)	(308)
Exceptional administrative expenses	9	<u>7,124</u>	<u>-</u>
<b>Profit/(loss) before tax for the year</b>		<u>7,015</u>	<u>(124)</u>
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>		<u><u>7,015</u></u>	<u><u>(124)</u></u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>7,015</u></u>	<u><u>(124)</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 10 to 19 form part of these financial statements.

**EXAMINATION & ASSESSMENT SERVICES LIMITED**  
**REGISTERED NUMBER: SC099878**

**BALANCE SHEET**  
**AS AT 31 JULY 2020**

	Note		2020 £000	2019 £000
<b>Current assets</b>				
Debtors	10	147	1,239	
Cash at bank and in hand	11	128	154	
		<u>275</u>	<u>1,393</u>	
Creditors: Amounts falling due within one year	12	(268)	(8,401)	
<b>Net current assets/(liabilities)</b>			<u>7</u>	<u>(7,008)</u>
<b>Total assets less current liabilities</b>			<u>7</u>	<u>(7,008)</u>
<b>Net assets/(liabilities)</b>			<u>7</u>	<u>(7,008)</u>
<b>Capital and reserves</b>				
Called up share capital	14		3	3
Share premium account			15	15
Profit and loss account			(11)	(7,026)
			<u>7</u>	<u>(7,008)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

I Sackree

I Sackree (Apr 26, 2021 09:25 GMT+1)

**I M Sackree**  
Director

Date: Apr 26, 2021

The notes on pages 10 to 19 form part of these financial statements.

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2020**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 August 2019	3	15	(7,026)	(7,008)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	7,015	7,015
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>At 31 July 2020</b>	<u>3</u>	<u>15</u>	<u>(11)</u>	<u>7</u>

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2019**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 August 2018	3	15	(6,902)	(6,884)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(124)	(124)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>At 31 July 2019</b>	<u>3</u>	<u>15</u>	<u>(7,026)</u>	<u>(7,008)</u>

The notes on pages 10 to 19 form part of these financial statements.

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## EXAMINATION & ASSESSMENT SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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#### 1. General information

Examination & Assessment Limited presents its financial statements for the year ended 31 July 2020. The Company is a private company, limited by shares and is registered in Scotland. The Company's registered number is SC099878 and its registered office address is C/O Mazars, 100 Queen Street, Glasgow, G1 3DN.

The principal activity of the Company is that of providing examination and assessment services to its clients, who are colleges of further education ("FE").

The financial statements have been presented in Pound Sterling as this is currency of the primary economic environment in which the company operates and is rounded to the nearest thousand (£'000).

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Protocol Holdings Limited as at 31 July 2020 and these financial statements may be obtained from The Point, Welbeck Road, West Bridgford, Nottingham, England, NG2 7QW.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

Covid-19 has had a significant impact on how the business operates and how FE colleges and Universities deliver education, skills and training in the future. The company swiftly introduced full scale remote working to ensure business continuity and employee safety. The company has also sought out new opportunities that have been presented throughout the crisis by enhancing new and existing client relationships and determining new ways of delivering services.

Prior to Covid-19 outbreak the company was in a strong position with a growing sales book and a robust balance sheet. The company had also identified a clear strategy for growth, supplying to Higher Education Institutions and Independent Training Providers as diversified expansion over the existing Further Education market. Investment has been made to recruit experienced Recruitment Consultant staff to propel this growth and these have mostly been retained, pending scaled business resumption.

Liquidity is being maintained through strong cash management, ensuring there are no immediate cashflow concerns. The company has taken advantage of business support provided by the Government and has also secured a £1.5m loan through CBILS, ring fenced for emergencies but available to support investing activities as required. The Directors have also performed a detailed stress test to confirm that the business will be able to operate for the next 12 months. In the worst-case scenario, the company has sufficient reserves to successfully operate on minimal income (10% of plan) for at least 12 months, with no reduction in overhead costs. This worst-case scenario is not expected, as it is significantly below the 50% reduction seen during full college closures in mid-2020.

As at the date of this report, the Directors have a reasonable expectation that the Company has adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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## EXAMINATION & ASSESSMENT SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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#### 2. Accounting policies (continued)

##### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.6 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution 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 in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.7 Taxation

Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020

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2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen where applicable to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

**Financial assets - Classified as basic instruments**

Financial assets are defined as cash or any asset from another entity, or a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The category of financial assets held by the Company comprise of bank and cash balances, trade debtors and amounts owed by group undertakings.

Debtors are assets with fixed or determinable payments that are not quoted on an active market, other than those that are categorised as financial assets at transaction value through profit and loss. These are initially recognised at the transaction price. At each balance sheet date, they are subsequently measured at amortised cost, with interest income recognised to profit and loss using the effective interest method.

**Financial liabilities - Classified as basic instruments**

Financial liabilities are defined as any liability that is contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. Financial liabilities held by the Company comprise of amounts owed to group undertakings. Interest charges are recognised in profit and loss using the effective interest method. The only category of financial liability held by the Company is those measured at amortised cost using the effective interest method.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



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## **EXAMINATION & ASSESSMENT SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020**

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#### **3. Significant management judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

##### **Significant management judgements**

There are no management judgements in applying the accounting policies of the organisation that have the most significant effect on the amounts recognised in the financial statements.

##### **Estimation uncertainty**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

#### **4. Turnover**

Turnover, which excludes value added tax, represents the amount chargeable to customers in respect of the company's principal activities and is recognised in line with the delivery of services. All turnover is derived from the United Kingdom.

#### **5. Auditor's remuneration**

The audit fee, and other fees payable to the external auditors are borne by Protocol National Limited, which is a fellow Group company. The fees are disclosed in the financial statements of Protocol National Limited. Copies of the Protocol National Limited financial statements can be obtained from Protocol Holdings Limited, The Point Welbeck Road, West Bridgford, Nottingham, United Kingdom, NG2 7QW.

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**6. Employees**

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2020 No.</b>	<b>2019 No.</b>
Provision of services	8	10
Administration and support	1	2
	<u>9</u>	<u>12</u>

During the year the company received payments under the Coronavirus Job Retention Scheme totalling £30k.

**7. Directors' remuneration**

During the year retirement benefits were accruing to 1 Director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £7k (2019 - £26k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3k (2019 - £5k).

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**8. Taxation**

The company has surrendered the benefit of tax losses amounting to £100k (2019: £368k) to fellow subsidiary undertakings without receiving any payment.

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit/(loss) on ordinary activities before tax	7,015	(124)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,333	(24)
<b>Effects of:</b>		
Accelerated capital allowances	(36)	(44)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,354)	-
Unrelieved tax losses arising in the period	38	108
Unrelieved tax losses arising from a prior period	-	(69)
Group relief	19	29
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

The main factor to consider is the decrease in tax rate. The standard rate of corporation tax rate in the UK is 19% for accounting periods from 1 April 2017.

**9. Exceptional administrative costs**

	2020 £000	2019 £000
Exceptional administrative costs	(7,124)	-
	(7,124)	-

The £7,124k relates to profits associated with the rationalisation of the Protocol Group and associated inter group loan write off costs

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**10. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	57	79
Amounts owed by group undertakings	-	1,060
Other debtors	16	3
Prepayments and accrued income	74	97
	<u>147</u>	<u>1,239</u>

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

**11. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	128	154
	<u>128</u>	<u>154</u>

An all monies debenture has been granted to Lloyds Banking Group by Examination & Assessment Services Limited over the whole assets of the Company.

A Cross Guarantee arrangement exists amongst Protocol National Limited, Examination & Assessment Services Limited and Lloyds Banking Group.

**12. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	106	8,239
Other taxation and social security	79	55
Other creditors	15	13
Accruals and deferred income	68	94
	<u>268</u>	<u>8,401</u>

Amounts owed to group undertakings are unsecured, interest free, and are repayable on demand.

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## EXAMINATION & ASSESSMENT SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

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#### 13. Deferred taxation

A net deferred tax asset is regarded as recoverable and therefore recognised only when, it can be regarded as more than likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. This is not deemed appropriate in the current year and therefore no deferred tax asset is recognised.

	2020 £000	2019 £000
<b>Potential deferred tax assets not recognised:</b>		
Timing differences	163	178
Losses	465	382
	<u>628</u>	<u>560</u>

The recoverable value of deferred tax assets would be affected by any changes to the standard rate of corporation tax in the United Kingdom. Refer to note 8 for details of any enacted changes.

#### 14. Share capital

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
3,000 (2019 - 3,000) Ordinary shares of £1.00 each	<u>3</u>	<u>3</u>

The holders of the ordinary shares are each are entitled to one vote per share. The shares carry no right to fixed income and are non-redeemable.

#### 15. Pension commitments

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in independently administered funds. The pension cost charge of £9k (2019: £10k) represents contributions payable by the Company funds. There was no outstanding pension liability included within creditors at the year end (2019: £nil).

#### 16. Related party transactions

Examination & Assessment Services Limited has taken the exemption contained in Section 33 of FRS 102 - "Related Party Disclosures" and therefore has not disclosed transactions or balances with entities wholly owned by Protocol Holdings Limited.

The Key Management Personnel of the Company are deemed to be the Directors. The costs of the Directors to the company are borne by (and disclosed in the financial statements of) Protocol National Limited, a fellow member of the Protocol group in the UK.

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**EXAMINATION & ASSESSMENT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**

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**17. Controlling party**

At the reporting date the immediate and ultimate parent undertaking is Protocol Holdings Limited a company incorporated in England which is the smallest and largest group to consolidate these financial statements.

Copies of the group financial statements can be obtained from their registered office; The Point Welbeck Road, West Bridgford, Nottingham, England, NG2 7QW.

Compass Partners Investments GC GP Limited have a majority shareholding in Protocol Holdings Limited. This shareholding is for the benefit of a number of investment vehicles managed by Compass Partners Investments GC Fund LP. In the opinion of the directors there is no ultimate controlling party. Copies of the financial statements of these companies are available at; The Point Welbeck Road, West Bridgford, Nottingham, England, NG2 7QW.