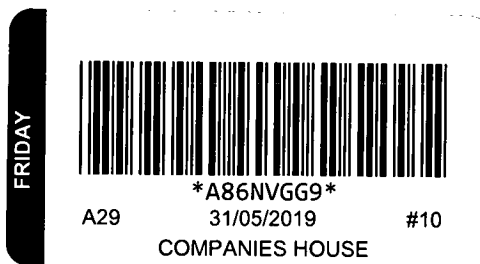


**PROSPECTS TRAINING SOLUTIONS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**



## **PROSPECTS TRAINING SOLUTIONS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	J L Abbott (appointed 29 September 2017) N R Bates (resigned 29 September 2017) T Carter (resigned 1 April 2018) AD McGarel (appointed 1 February 2019)
<b>Registered number</b>	02487999
<b>Registered office</b>	Prospects College of Advanced Technology Compton Close Basildon Essex SS14 3AY
<b>Independent auditor</b>	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB

# **PROSPECTS TRAINING SOLUTIONS LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Directors' Report</b>	<b>1 - 2</b>
<b>Independent Auditor's Report</b>	<b>3 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8 - 11</b>
<b>The following pages do not form part of the statutory financial statements:</b>	
<b>Detailed Profit and Loss Account and Summaries</b>	<b>12 - 14</b>

## **PROSPECTS TRAINING SOLUTIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018**

The directors present their report and the financial statements for the year ended 31 July 2018.

#### **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;
- 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.

#### **Directors**

The directors who served during the year were:

J L Abbott (appointed 29 September 2017)

N R Bates (resigned 29 September 2017)

T Carter (resigned 1 April 2018)

AD McGarel was appointed as a director on 1 February 2019.

#### **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.

#### **Auditor**

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution that they be re-appointed will be put at a General Meeting.

**PROSPECTS TRAINING SOLUTIONS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2018**

**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.

*J. Abbott*

**J L Abbott**  
Director

Date:

*2/5/19*

## **PROSPECTS TRAINING SOLUTIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PROSPECTS TRAINING SOLUTIONS LIMITED**

#### **Opinion**

We have audited the financial statements of Prospects Training Solutions Limited (the 'Company') for the year ended 31 July 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet and the related notes, 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 Financial Reporting Standard 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 2018 and of its loss 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 other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. 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 required to report that fact.

We have nothing to report in this regard.

## **PROSPECTS TRAINING SOLUTIONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PROSPECTS TRAINING SOLUTIONS LIMITED**

#### **Opinion 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 has been prepared in accordance with applicable legal requirements.

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

In the 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; 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' exemptions from the requirement to prepare a Strategic Report or in preparing the Directors report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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.

**PROSPECTS TRAINING SOLUTIONS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PROSPECTS TRAINING SOLUTIONS LIMITED**

**Use of our 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.

*RSM UK Audit LLP*

Hannah Catchpool (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

*24 May 2019*



**PROSPECTS TRAINING SOLUTIONS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2018**

	<b>2018 £</b>	<b>2017 £</b>
Turnover	857,283	882,657
Cost of sales	(366,189)	(240,284)
<b>Gross profit</b>	<b>491,094</b>	<b>642,373</b>
Administrative expenses	(514,827)	(941,618)
<b>Operating loss</b>	<b>(23,733)</b>	<b>(299,245)</b>
<b>Loss for the financial year</b>	<b><u>(23,733)</u></b>	<b><u>(299,245)</u></b>

The notes on pages 8 to 11 form part of these financial statements.


**PROSPECTS TRAINING SOLUTIONS LIMITED**  
**REGISTERED NUMBER:02487999**

**BALANCE SHEET**  
**AS AT 31 JULY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	11,746	17,005
<b>Current assets</b>			
Stocks	5	-	3,049
Debtors: amounts falling due within one year	6	149,259	108,692
Cash at bank and in hand		158,338	128,330
		<u>307,597</u>	<u>240,071</u>
Creditors: amounts falling due within one year	7	(662,886)	(576,886)
<b>Net current liabilities</b>		<u>(355,289)</u>	<u>(336,815)</u>
<b>Total assets less current liabilities</b>		<u>(343,543)</u>	<u>(319,810)</u>
<b>Net liabilities</b>		<u>(343,543)</u>	<u>(319,810)</u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		(343,545)	(319,812)
		<u>(343,543)</u>	<u>(319,810)</u>

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

The financial statements on pages 6 to 11 were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**J L Abbott**  
Director

Date: 2/5/19  
The notes on pages 8 to 11 form part of these financial statements.

## **PROSPECTS TRAINING SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018**

#### **1. General information**

Prospects Training Solutions Limited is a private company limited by shares, incorporated in England and Wales within the United Kingdom. The company's registered office is Prospects College of Advanced Technology, Luckyn Lane, Basildon, Essex, SS14 3AY.

#### **2. Accounting policies**

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The financial statements have been prepared on a going concern basis. At the balance sheet date the company's controlling party was Prospects College of Advanced Technology ("the College") which had recognised that it did not have a long term financially sustainable future as a stand-alone entity and was therefore planning to merge with South Essex College with effect from 1 February 2019. The accounts of the College were therefore not prepared on a going concern basis. The merger has now taken place as planned, with South Essex College becoming the parent company of Prospects Training Solutions Limited. The directors consider the company to be a going concern based on the agreed financial support from the new parent entity South Essex College.

##### **2.3 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.

## **PROSPECTS TRAINING SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018**

#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5 years straight line
Office equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment.

##### **2.6 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.

##### **2.7 Creditors**

Short term creditors are measured at the transaction price.

##### **2.8 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 Statement of Comprehensive Income 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.

**PROSPECTS TRAINING SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**3. Employees**

The average monthly number of employees, including directors, during the year was 8 (2017 - 2).

**4. Tangible fixed assets**

	<b>Plant and machinery £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 August 2017	144,762	52,984	197,746
Additions	2,553	-	2,553
Disposal	(213)	-	(213)
At 31 July 2018	<u>147,102</u>	<u>52,984</u>	<u>200,086</u>
<b>Depreciation</b>			
At 1 August 2017	128,673	52,067	180,740
Charge for the year on owned assets	6,683	917	7,600
At 31 July 2018	<u>135,356</u>	<u>52,984</u>	<u>188,340</u>
<b>Net book value</b>			
At 31 July 2018	<u>11,746</u>	<u>-</u>	<u>11,746</u>
At 31 July 2017	<u>16,089</u>	<u>917</u>	<u>17,006</u>

**5. Stocks**

	<b>2018 £</b>	<b>2017 £</b>
Finished goods and goods for resale	-	3,049
	<u>-</u>	<u>3,049</u>

**6. Debtors**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	117,658	104,948
Prepayments and accrued income	31,601	3,744
	<u>149,259</u>	<u>108,692</u>

**PROSPECTS TRAINING SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	26,145	96,530
Amounts owed to group undertakings	299,865	428,243
Other taxation and social security	37,619	-
Accruals and deferred income	299,257	52,113
	<u>662,886</u>	<u>576,886</u>

**8. Controlling party**

The company is controlled by Prospects Learning Foundation Limited, a company incorporated in England and Wales. The ultimate parent at the balance sheet date was Prospects College of Advanced Technology. Consolidated financial statements of the College can be obtained from the following address: Prospects College of Advanced Technology, Compton Close, Basildon, Essex, SS14 3AY.

**9. Contingent liabilities**

The company has entered into a cross guarantee with Prospects Learning Foundation Limited, parent company, in favour of Barclays Bank Plc. As at the year-end there were no borrowings (2017: £Nil).