

**HARTLEPOOL BUSINESS DEVELOPMENT  
CENTRE LIMITED  
(trading as Flagship Training Solutions)**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JULY 2016**



# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D Hankey M Ward
<b>Secretary</b>	A Theakston
<b>Company number</b>	02522593
<b>Registered office</b>	Hartlepool Business Development Centre Hartlepool College Of Further Education Stockton Street Hartlepool, Cleveland, TS24 7NT
<b>Auditors</b>	RSM UK Audit LLP Chartered Accountants 1 St James' Gate Newcastle upon Tyne NE1 4AD

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# **HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JULY 2016**

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

#### **Fair review of the business**

The principal activities of the company are to provide education and training programmes for industry and commerce with the objective of helping local business to develop through improved staff training. The company also hosts an Apprenticeship Training Authority where it employs apprentices on behalf of local business as well as operating commercial outlets including a gym and restaurant.

#### **Principal risks and uncertainties**

The Board continue to monitor risk closely and the principal risks facing the company are:

- The economic downturn affecting businesses ability to invest in training
- Increased competition for commercial work

#### **Development and performance**

The company has had a successful year financially due to a large contract delivering full cost commercial courses.

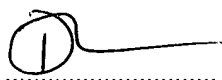
#### **Key performance indicators**

The company monitors costs and income closely as well as the quality of commercial delivery and the relationships with key stakeholders.

#### **Going Concern Statement**

After making enquiries, the Board of Directors has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

By order of the board

  
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**D Hankey**  
**Director**

8 December 2016

# **HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2016**

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

#### **Principal activities**

The principal activity of the company continued to be that of provision of education and training programmes for industry and commerce with the objective of helping local business to develop through improved staff training.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Hankey  
M Ward

#### **Results and dividends**

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Auditor**

RSM UK Audit LLP has indicated its willingness to continue in office for the forthcoming year.

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



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**D Hankey**  
**Director**  
8 December 2016

# **HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 JULY 2016**

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The directors are responsible for preparing the Strategic Report and 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 judgements 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**

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We have audited the financial statements on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 more fully explained in the Directors' 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. 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 <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 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.

## **Opinion on other matters 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.

## **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.

*RSM UK Audit Ltd*

Claire Leece (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

Date: *19 December 2016*

**HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 JULY 2016**

	Notes	2016 £'000	2015 £'000
Turnover	3	1,703	1,324
Cost of sales		(1,278)	(1,189)
<b>Gross profit</b>		425	135
Administrative expenses		(185)	(115)
Other operating income		-	-
<b>Operating loss</b>	4	240	20
<b>Profit on ordinary activities before taxation</b>		240	20
Taxation	7	-	-
<b>Profit for the financial year</b>		240	20
<b>Total comprehensive income for the year</b>		240	20

**HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED****BALANCE SHEET****AS AT 31 JULY 2016**

	Notes	2016 £'000	£'000	2015 £'000	£'000
<b>Current assets</b>					
Stocks		4		4	
Debtors	8	285		733	
Cash at bank and in hand		253		190	
		<u>542</u>		<u>927</u>	
<b>Creditors: amounts falling due within one year</b>	9	(692)		(1,317)	
Net current liabilities			(150)		(390)
<b>Total assets less current liabilities</b>			(150)		(390)
<b>Net liabilities</b>			(150)		(390)
<b>Capital and reserves</b>					
Called up share capital	11		-		-
Profit and loss reserves			(150)		(390)
<b>Total equity</b>			(150)		(390)

The financial statements were approved by the board of directors and authorised for issue on 8 December 2016 and are signed on its behalf by:



**D Hankey**  
Director



**HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 JULY 2016**

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	Share capital and loss reserves £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 August 2014</b>	-	(410)	(410)
<b>Period ended 31 July 2015:</b>			
Total comprehensive income for the year	-	20	20
	<u>-</u>	<u>20</u>	<u>20</u>
<b>Balance at 31 July 2015</b>	-	(390)	(390)
	<u>-</u>	<u>(390)</u>	<u>(390)</u>
<b>Period ended 31 July 2016:</b>			
Total comprehensive income for the year	-	240	240
	<u>-</u>	<u>240</u>	<u>240</u>
<b>Balance at 31 July 2016</b>	-	(150)	(150)
	<u>-</u>	<u>(150)</u>	<u>(150)</u>

# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2016

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#### 1 Accounting policies

##### Company information

Hartlepool Business Development Centre Limited is a limited company domiciled and incorporated in England. The registered office is Hartlepool Business Development Centre, Hartlepool College Of Further Education, Stockton Street, Hartlepool, Cleveland, TS24 7NT

The company's principal activities are disclosed in the Directors' Report.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### First time adoption of FRS 102

These financial statements are the first financial statements of Hartlepool Business Development Centre Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Hartlepool Business Development Centre Limited for the year ended 31 July 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

##### Going concern

The Board of Directors has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

##### Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosures:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instruments Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income..

The financial statements of the company are consolidated in the financial statements of Hartlepool College of Further Education. The consolidated financial statements of Hartlepool College of Further Education are available for public inspection at the College address.

# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### 1 Accounting policies (Continued)

##### **Turnover**

Turnover comprises amounts receivable in the ordinary course of business in respect of services provided to the parent undertaking and third parties, excluding value added tax. All turnover is derived from activities in the UK.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

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

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

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#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### ***Derecognition of financial liabilities***

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

#### ***Stocks***

Stocks are valued at the lower of cost and estimated selling price after making due allowance for obsolete and slow moving stock. Cost is determined using the first in first out basis.

At each reporting date, the group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted. Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2016

#### 2 Judgements and key sources of estimation uncertainty

In the opinion of the directors there are no key matters of judgement involved in the financial statements.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £'000	2015 £'000
<b>Turnover</b>		
Full Cost Commercial training	546	239
Apprenticeship Training Authority	1034	911
Commercial outlets	123	174
	<u>1703</u>	<u>1324</u>

#### Turnover analysed by geographical market

	2016 £'000	2015 £'000
United Kingdom	1,703	1,324
Other EU countries	-	-
Rest of the world	-	-
	<u>1,703</u>	<u>1,324</u>

#### 4 Operating loss

	2016 £'000	2015 £'000
Operating loss for the year is stated after charging:		
Management charges	<u>45</u>	<u>36</u>

The audit fee for the company for the year ended 31 July 2016 has been borne by the company's ultimate parent undertaking, Hartlepool College of Further Education.

#### 5 Employees

There were no staff employed by the company during the current or prior year.

#### 6 Directors' remuneration

There were no payments made to directors during the current or prior year.

# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

### 7 Taxation

	2016 £'000	2015 £'000
UK corporation tax	-	-
Deferred tax	-	-
Tax expense for the year	-	-

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2016 £'000	2015 £'000
Profit before taxation	240	20
Expected tax charge based on a corporation tax rate of 20% (2015 - 20%)	48	4
Utilisation of tax losses and other deductions	(48)	(4)
Tax expense for the year	-	-

### 8 Debtors

	2016 £'000	2015 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	285	718
Other debtors	-	15
	285	733

### 9 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	3	5
Amounts owed to parent undertaking	605	1,081
Other taxes and social security	69	81
Accruals and deferred income	15	150
	692	1,317

# HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2016

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### 10 Financial instruments

	2016 £'000	2015 £'000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	538	923
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	608	1,086
	<u>          </u>	<u>          </u>

### 11 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

### 12 Controlling party

The company is a wholly owned subsidiary of Hartlepool College of Further Education, a corporation whose place of business is Stockton Street, Hartlepool. Copies of the College's financial statements are available for public inspection at this address.

### 13 First time adoption of FRS 102

There was no impact on the reported financial position or financial performance arising from the adoption of FRS 102.

**HARTLEPOOL BUSINESS DEVELOPMENT CENTRE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2016**

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**14 Related party transactions**

**Transactions with related parties**

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

	<b>Management charge</b>	
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Parent entity	143	36

The following amounts were outstanding at the reporting end date:

	<b>Amounts owed to related parties</b>	
	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Parent entity	605	1081

No guarantees have been given or received.