

**Sparks Managed Services Limited**  
**Directors Report and Financial Statements**  
**for the period 1 August 2015 to 31 July 2016**  
**Company Registration Number 07490897**

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## **Sparks Managed Services Limited**

<b>Contents</b>	<b>Pages</b>
Company Information	3
Directors' Report	4
Statement of Directors Responsibilities	6
Independent Auditor's Report	7
Profit and Loss Account	9
Balance Sheet	10
Notes to the Financial Statements	12 to 15

## **Sparks Managed Services Limited**

### **Company Information**

#### **Directors**

Jason Pepper  
Darren Tidmarsh

#### **Company number**

07490897

#### **Registered Office**

The Sheffield College  
Granville Road  
Sheffield  
S2 2RL  
South Yorkshire

#### **Bankers**

Barclays Bank PLC  
NE and Yorkshire Larger Business Team  
PO Box 378  
71 Grey Street  
Newcastle upon Tyne  
NE99 1JP

#### **Auditors**

KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

## **Sparks Managed Services Limited**

### **Directors Report for the period from 1 August 2015 to 31 July 2016**

The directors present their report and audited financial statements for the period from 1 August 2015 to 31 July 2016.

### **Principal activity**

The principal activity of the company is the provision of cleaning services.

### **Operational Summary**

The Company was incorporated on 12 January 2011 as Sparks Teaching Limited and subsequently changed its name to Sparks Managed Services Limited on 8 February 2012.

### **Financial Results**

Sparks Managed Services Limited achieved a break even position for the year ended 31 July 2016 (also achieving this for the year ended 31 July 2015) as any costs incurred are invoiced to the college/UTC.

This report covers the period from 1 August 2015 to 31 July 2016.

### **Disclosure of information to auditors**

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

### **Going Concern**

Sparks Managed Services Limited is a wholly-owned subsidiary of The Sheffield College and has been incorporated to help the College achieve its aims and objectives. In the financial year ending 31 July 2016, a significant majority of the company's income (£1.17m of £1.22m) was derived from The Sheffield College and this is expected to be the case for the foreseeable future.

The financial position of Sparks Managed Services Limited, its cash flow and liquidity are described in these Financial Statements and accompanying notes.

The Directors of Sparks Managed Services Limited have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements. This view has been

## **Sparks Managed Services Limited**

informed by the fact that The Sheffield College will continue to purchase services from Sparks Managed Services Limited from 1 August 2016.

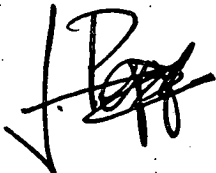
### **Directors of the Company**

Jason Pepper

Darren Tidmarsh

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

This report was approved by the Board on 6 December 2016 and signed on its behalf by:



Jason Pepper  
Director



Darren Tidmarsh  
Director

## **Sparks Managed Services Limited**

### **Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## Sparks Managed Services Limited

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPARKS MANAGED SERVICES LIMITED

We have audited the financial statements of Sparks Managed Services Limited for the year ended 31 July 2016 set out on pages 9 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (UK 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 6, 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](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 UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Sparks Managed Services Limited**

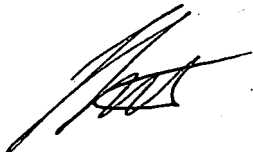
### **Opinion on other matters prescribed by the Companies Act 2006**

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; 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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Clare Partridge (Senior Statutory Auditor)

**For and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

19 December 2016



## Sparks Managed Services Limited

### Profit and Loss Account for the year ended 31 July 2016

	Notes	For the year ended 31 July 2016 £	For the year ended 31 July 2015 £
Turnover		1,217,937	1,094,569
Cost of sales		(1,187,324)	(1,080,879)
<b>Gross Profit</b>		<b>30,613</b>	<b>13,690</b>
Administrative expenses	2	(30,613)	(13,690)
<b>Operating Profit</b>	3	-	-
Interest payable and similar charges		-	-
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial period</b>		-	-

# Sparks Managed Services Limited

## Balance Sheet

as at 31 July 2016

	Notes	As at 31 July 2016 £	As at 31 July 2015 £
<b>Fixed assets</b>	<b>7</b>	<b>16,082</b>	<b>24,080</b>
<b>Debts falling due after one year</b>		-	-
<b>Current assets</b>			
Trade debtors		5,673	20,107
Inter-company debtor balances	9	-	-
Employee advances	9	-	-
Cash at bank and in hand		-	-
		<b>5,673</b>	<b>20,107</b>
<b>Creditors - amounts falling due within one year</b>	<b>10</b>	<b>(21,754)</b>	<b>(44,186)</b>
<b>Net current liabilities</b>		<b>(16,081)</b>	<b>(24,079)</b>
<b>Total assets less current liabilities</b>		<b>1</b>	<b>1</b>
<b>Creditors - amounts falling due after more than one year</b>		-	-
<b>Net assets/(liabilities)</b>		<b>1</b>	<b>1</b>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	11	-	-
<b>Shareholders' funds</b>		<b>1</b>	<b>1</b>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small company's regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015). For the period ending 31 July 2016 the Company was entitled to exemption from audit under sections 475 and 477 of the Companies Act 2006 relating to small companies. However, the members have exercised their rights to be independently audited for the period ended 31 July 2016.

## Sparks Managed Services Limited

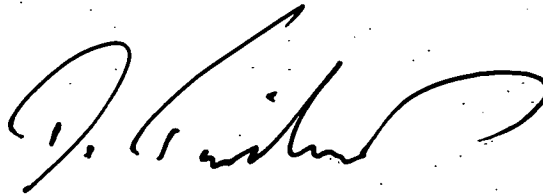
The Directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profits or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The Financial Statements were approved by the Board of Directors on 6 December 2016 and were signed on its behalf by:



Jason Pepper  
Director



Darren Tidmarsh  
Director

## **Sparks Managed Services Limited**

### **Notes to the Financial Statements for the year ended 31 July 2016**

#### **1. Accounting Policies**

##### **Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

##### **Turnover**

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

##### **Tangible fixed assets and depreciation**

Equipment with a useful life greater than one year is capitalised at cost.

Depreciation is charged in order to write off the assets over their estimated useful lives.

##### **Stocks**

Stock is valued at the lower of cost and net realisable value.

##### **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

##### **Deferred taxation**

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an undiscounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

## Sparks Managed Services Limited

### Notes to the Financial Statements for the year ended 31 July 2016 (continued)

#### Pensions

The company currently does not operate a pension scheme.

#### Going Concern

Sparks Managed Services Limited is a wholly-owned subsidiary of The Sheffield College and has been incorporated to help the College achieve its aims and objectives. In the financial year ending 31 July 2016, almost all of the company's income was derived from The Sheffield College and this is expected to be the case for the foreseeable future.

The financial position of Sparks Managed Services Limited, its cash flow and liquidity are described in these Financial Statements and accompanying notes.

The Directors of Sparks Managed Services Limited have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements. This view has been informed by the fact that The Sheffield College will continue to purchase services from Sparks Managed Services Limited from 1 August 2016.

#### 2. Administrative Expenses

	For the year ended 31 July 2016	For the year ended 31 July 2015
Administrative expenses include Audit and Accounting fees of	£3,018	£3,018

#### 3. Operating Profit

There are no charges of depreciation or pension costs in the accounting period.

#### 4. Directors' Remuneration

No Director received any remuneration or other benefits from the Company in the accounting period.

#### 5. Auditor Remuneration

The amount paid to the company's auditor for services rendered during the period ended 31 July 2016 was £3,018 (2015: £3,018).

## Sparks Managed Services Limited

### Notes to the Financial Statements for the year ended 31 July 2016 (continued)

#### 6. Taxation

The Company has no liability of UK Corporation Tax at the period ending 31 July 2016.

#### 7. Tangible Fixed Assets

	Closing balances 31 July 2016	Closing balances 31 July 2015
	£	£
Opening Gross Book Value	39,925	-
Additions	-	39,925
Closing Gross Book Value	39,925	39,925
Opening Accumulated Depreciation	15,845	7,846
Depreciation Charge in the Year	7,998	7,999
Closing Accumulated Depreciation	23,843	15,845
Net Book Value	16,082	24,080

#### 8. Debtors: Amounts falling due after one year

	Closing balances 31 July 2016	Closing balances 31 July 2015
	£	£
Loans to staff employees	-	-

#### 9. Debtors: Amounts falling due within one year

	Closing balances 31 July 2016	Closing balances 31 July 2015
	£	£
Trade Debtors	5,673	20,107
Intercompany Debtor - The Sheffield College	-	-
Loans to staff employees	-	-
	5,673	20,107

## Sparks Managed Services Limited

### Notes to the Financial Statements for the year ended 31 July 2016 (continued)

#### 10. Creditors: Amounts falling due within one year

	Closing balances 31 July 2016	Closing balances 31 July 2015
	£	£
Trade Creditors Accruals	3,473	1,030
Intercompany Creditor - The Sheffield College	18,281	40,274
VAT Creditor Account	-	2,882
Payroll Tax and Social Security Costs	-	-
	<u>21,754</u>	<u>44,186</u>

#### 11. Capital and reserves

	Closing balances 31 July 2016	Closing balances 31 July 2015
	£	£
Authorised 1 Ordinary Share of £1	<u>1</u>	<u>1</u>
Allotted, called up and fully paid 1 Ordinary Share of £1	<u>1</u>	<u>1</u>
Reserves balance brought forward	-	-
Profit for the financial period	-	-
Reserves balance at the period end	<u>-</u>	<u>-</u>

#### 12. Ultimate controlling party

The Directors of the Company are Senior Post-holders within The Sheffield College (a Further Education College established under the Further Education Act 1992) and are appointed by its Governing Body.

Through its Directors the Company is effectively controlled by the Governing Body of The Sheffield College.

**Note - this page does not form part of the statutory financial statements**

## **Sparks Managed Services Limited**

### **Trading and Profit and Loss Account**

	For the year ended 31 July 2016		For the year ended 31 July 2015	
	£	£	£	£
<b>Turnover</b>				
- Cleaning Services	637,367		798,147	
- Other Income	580,570		296,422	
		1,217,937		1,094,569
<b>Cost of Sales</b>				
- Gross Pay - Estates Staff	529,552		741,963	
- Nat Ins - Estates Staff	16,705		26,617	
- Gross Pay - Other Staff	489,023		188,708	
- Nat Ins - Other Staff	18,191		7,893	
- Pension - Other Staff	2,878		-	
- Consumables	49,775		57,535	
- Cleaning services	47,826		30,546	
- General waste disposal	25,376		19,618	
- Depreciation	7,998		7,999	
		1,187,324		1,080,879
<b>Gross Profit</b>		30,613		13,690
<b>Expenditure</b>				
- Equipment	21,220		4,801	
<b>Repairs/Maint'ance</b>				
- Uniforms/Laundry/Clothing	1,160		-	
- Hospitality	72		315	
- Mobile Telephones	626		513	
- Mileage	1,397		3,206	
- Professional Services	-		-	
- Audit fees *	5,736		4,818	
- IT Expenditure	-		-	
- Other costs	402		37	
- Bank and other charges	-		-	
		30,613		13,690
<b>Operating Profit</b>		-		-

\* Of which £3,018 relates to services rendered during the period, and £2,718 (£1,800 in 2015) relates to services rendered in a prior period.