Grant Thornton

Financial Statements The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited

For the Period Ended 30 September 2015

Registered number: 08802537

Company Information

Directors	Philip Andrew Brian Bell (resigned 16 November 2015) Clare Davey (resigned 16 November 2015) John Wiseman Paul Hindson (appointed 16 November 2015)
Company secretary	Anne Roberts (resigned 19 November 2015) Jo Laxton (appointed 19 November 2015)
Registered number	08802537
Registered office	Queensway House The Hedges St. Georges Weston-Super-Mare Avon BS22 7BB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Explorer Building Fleming Way Crawley RH10 9GT

Contents

Strategic Report
For the Period Ended 30 September 2015

The directors present their strategic report for the period ended 30 September 2015.

Review of the business
The Bristol, Gloucestershire, Somerset & Wiltshire Community Rehabilitation Company Limited (CRC) was incorporated on 4th December 2013 and commenced trading on 1 June 2014.

The Ministry of Justice transferred ownership of the company to Working Links (Employment) Limited on 1 February 2015 to deliver the Transforming Rehabilitation programme over a contract term of seven years. Working Links also took ownership of The Wales Community Rehabilitation Company Limited and The Dorset, Devon and Cornwall Community Rehabilitation Company Limited. There is an excellent fit with the vision, values and strategic goal of the parent company to help individuals with complex needs to transform their lives and improve the communities in which we deliver our services.

The primary aims of Transforming Rehabilitation are to protect the public, deliver the sentence of the court, reduce re-offending, and deliver efficiencies over time.

The CRC protects the public and reduces re-offending through a commitment to effective offender management. Our activities are augmented by the development and maintenance of strong strategic and local relationships with the National Probation Service (NPS), structured partnership arrangements and increased levels of community and service user engagement.

Planning and preparation was undertaken for the implementation of the new Offender Rehabilitation Act (ORA) from 1 February 2015. This change required the provision of new Rehabilitation Activity Requirements and post-sentence supervision, plus the provision of Through The Gate services from 1 May 2015 with a new supply chain of carefully chosen partners. We have ensured that the quality of service provision is on track to achieve our contractual Service Level Agreement requirements for the Ministry of Justice.

Transformation planning commenced during the period to align our operations with the other Community Rehabilitation Companies and the wider Working Links group to grow efficiencies across the services which we deliver.

The company recorded a profit after tax of £230k for the period to 30 September 2015.

Key performance indicators (KPIs)
Reviews of KPIs have occurred regularly across the financial period. Reviews are based upon a suite of management information required to deliver the Transforming Rehabilitation contract with the Ministry of Justice.

Outlook for the forthcoming financial period
The company has a confirmed contract with The Ministry of Justice over at least the next 6 years, representing the significant majority of company turnover.

Principal risks and uncertainties
The principal risks for the company during the period continued to be the transition from the former Trusts to the new organisation, coupled with the split with the NPS and the subsequent transfer of ownership.

Performance has continued to be strong across most areas of the business and further progress has been made in terms of cultural alignment.

Positive relationships are maintained with key partners including the NPS, Police, Police and Crime Commissioners and Local Authorities.

Strategic report (continued)

Liquidity risks

The company is capable of meeting its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations, then the company has credit facilities available from its parent company.

Legislation risks

The Offender Rehabilitation Act (ORA) came into effect on 1 February 2015. The Act amends the Criminal Justice Act 2003 and repeals supervision and activity requirements, replacing them with a single new requirement for providers of probation services to determine the rehabilitative interventions delivered to offenders. The company has made changes to its working practices to ensure it meets the requirements of the new Act.

As part of the ORA legislation, the company has ensured provision of new Through The Gate services effective from 1 May 2015.

The Strategic Report was approved by the Board of Directors on 18 December 2015 and was signed on its behalf by:

Philip Andrew
Director

Directors' Report
For the Period Ended 30 September 2015

The directors present their report and the financial statements for the period ended 30 September 2015.

Results and dividends

The Income Statement is set out on page 8. During the period ended 30 September 2015 the company paid no dividends to shareholders.

Principal activities and review of the business

The company is principally engaged in the delivery of community rehabilitation services.

A review of the business is presented in the Strategic Report on pages 1 - 2.

Significant events

The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited (the CRC) was incorporated on 4 December 2013 and commenced trading on 1 June 2014.

The publication "Transforming Rehabilitation: A Strategy for Reform" dated 9 May 2013 included plans for the Ministry of Justice to contract out certain probation services more widely and to dissolve 35 Probation Trusts in England and Wales. The Probation Trusts were dissolved on 31 October 2014 under the Offender Management Act 2007 Order 2014.

On 31 May 2014 the three Avon and Somerset, Gloucestershire, and Wiltshire Probation Trusts ceased operating, and on 1 June 2014 their activities were taken over by the National Probation Service (NPS) and the Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited.

During May 2014 the Secretary of State for Justice created a Staff Transfer Scheme and a Property Transfer Scheme (the Schemes) under the Offender Management Act 2007. The Schemes came into effect on 1 June 2014, transferring staff, activities, assets and liabilities from the three former Probation Trusts to the Secretary of State. Immediately following the transfer, the Secretary of State transferred certain of the staff, activities, rights and obligations to the CRC, which began delivering rehabilitation services to lower risk service users in the community from 1 June 2014. On the same date, the NPS began delivering probation services in relation to advising courts on sentencing and supervising high risk offenders, taking on certain of the staff, operational activities and rights and obligations transferred from the Trusts to the Secretary of State.

The CRC was initially wholly owned by the Secretary of State for Justice on behalf of the Ministry of Justice. Following a competitive tender process for the CRC, a contract was signed with a preferred bidder in December 2014. The CRC Articles of Association were amended in January 2015 and on 1 February 2015 the CRC became a subsidiary company of Working Links (Employment) Limited.

Going concern

Financial reviews of the results of the company have occurred on a regular basis across the financial period. These have included a review of the forecasts of the business for at least one year after the date of approval of these financial statements. The directors believe that the company is well placed to manage its business risks and liquidity successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In the event that the operating cash flows would not cover all the financial obligations, then the company has credit facilities available from its parent company. Accordingly, the going concern basis has been adopted in preparing the annual report and accounts.

Directors' Report

For the Period Ended 30 September 2015

Principal risks and uncertainties

Risks and uncertainties are discussed in the Strategic Report on pages 1 - 2.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the period were:

Philip Andrew
Brian Bell (resigned 16 November 2015)
Clare Davey (resigned 16 November 2015)
John Wiseman
Paul Hindson (appointed 16 November 2015)

Company Secretary

The company secretary in office during the period ended 30 September 2015 was:

Anne Roberts (resigned 19 November 2015)
Jo Laxton (appointed 19 November 2015)

Directors' Report
For the Period Ended 30 September 2015

Disclosure of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The financial statements for the period ended 30 September 2015 were audited by Grant Thornton UK LLP and under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditors 28 days after these financial statements are sent to the members.

This report was approved by the board on 18 December 2015 and signed on its behalf.

Philip Andrew
Director

Independent Auditor's Report to the Members of The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited

We have audited the financial statements of The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited for the period ended 30 September 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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).

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, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of its profit for the period 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Grant Thornton

Independent Auditor's Report to the Members of The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Marc Summers

Marc Summers (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Crawley
Date: 18 December 2015

Statement of Comprehensive Income

For the Period Ended 30 September 2015

	Note	Period ended 30 September 2015 £	Period ended 31 March 2015 £
Turnover	3	**11,243,400**	17,488,698
Cost of sales		**(7,254,339)**	(13,039,439)
Gross profit		**3,989,061**	4,449,259
Administrative expenses		**(3,692,253)**	(3,150,670)
Other income		-	9,352
Operating profit		**296,808**	1,307,941
Interest payable and similar charges		-	(3,422)
Profit on ordinary activities before taxation		**296,808**	1,304,519
Taxation on profit/(loss) on ordinary activities	8	**(66,533)**	(293,022)
Profit for the financial period		**230,275**	1,011,497
Total comprehensive income for the period		**230,275**	1,011,497

There were no recognised gains and losses for 2015 other than those included in the income statement.

The notes on pages 11 to 25 form part of these financial statements.

Statement of Financial Position

As at 30 September 2015

	Note		30 September 2015 £		31 March 2015 £
Fixed assets					
Tangible assets	9		**87,853**		123,713
			87,853		123,713
Current assets					
Debtors: Amounts falling due within one year	10	**2,730,265**		3,262,533	
Cash at bank and in hand	11	**3,326,114**		2,687,587	
		6,056,379		5,950,120	
Creditors: Amounts falling due within one year	12	**(4,902,449)**		(5,062,325)	
Net current assets			**1,153,930**		887,795
Total assets less current liabilities			**1,241,783**		1,011,508
Net assets			**1,241,783**		1,011,508
Capital and reserves					
Called up share capital	15		**11**		11
Profit and loss account			**1,241,772**		1,011,497
			1,241,783		1,011,508

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

Philip Andrew
Director

18 December 2015

The notes on pages 11 to 25 form part of these financial statements.

Statement of Changes in Equity
As at 30 September 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	11	1,011,497	1,011,508
Profit for the period	-	230,275	230,275
At 30 September 2015	11	1,241,772	1,241,783

Statement of Changes in Equity
As at 31 March 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 June 2014	11	-	11
Profit for the period	-	1,011,497	1,011,497
At 31 March 2015	11	1,011,497	1,011,508

The notes on pages 11 to 25 form part of these financial statements.

Notes to the Financial Statements
For the Period Ended 30 September 2015

1. Accounting policies

1.1 Company information

The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company Limited (the Company) is a limited liability company incorporated in the UK with number 08802537. The registered office is Queensway House, The Hedges, St. Georges, Weston-Super-Mare, Avon, BS22 7BB.

The company is principally engaged in the delivery of community rehabilitation services.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

The Bristol, Gloucestershire, Somerset And Wiltshire Community Rehabilitation Company Limited has adopted the following disclosure exemptions:

1.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In the event that the operating cash flows would not cover all the financial obligations, then the company has credit facilities available from its parent company. The company therefore adopts the going concern basis in preparing its financial statements.

Notes to the Financial Statements
For the Period Ended 30 September 2015

1. Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

The estimated useful lives range as follows:

Plant and machinery	-	7 years
Motor vehicles	-	5-7 years
Computer equipment	-	7 years

1.5 Debtors

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

1.6 Creditors

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

Notes to the Financial Statements
For the Period Ended 30 September 2015

1. Accounting policies (continued)

1.7 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

1.8 Employee benefit accrual

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Notes to the Financial Statements
For the Period Ended 30 September 2015

1. Accounting policies (continued)

1.9 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current period using the tax rates and laws that that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in the statement of comprehensive income, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.10 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services.

Rendering of services
Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Notes to the Financial Statements
For the Period Ended 30 September 2015

1. Accounting policies (continued)

1.11 Employee benefits

Employees of the company who were part of the company when in public ownership are covered by the provisions of the Local Government Pension Scheme (LGPS). This scheme was closed to new members within the CRC from 1 February 2015 and a new defined contribution group personal pension scheme was introduced.

The LGPS is a funded defined benefit scheme whose pension liabilities and corresponding assets are administered by the Greater Manchester Pension Fund (GMPF). Retirement benefits are determined independently of the investments of the scheme, and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Under the terms of the Transforming Rehabilitation contract with the Ministry of Justice, where the employer contribution rate exceeds or is less than an assumed contribution rate of 14%, a corresponding adjustment will be made to contract income. The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the company's participation in the LGPS. The commercial substance of the arrangement is therefore that the company operates a defined contribution pension scheme.

Notes to the Financial Statements
For the Period Ended 30 September 2015

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

2.1 Greater Manchester Pension Fund (GMPF) contributions

The company entered into an agreement with the Ministry of Justice, as part of the overall contract for Transforming Rehabilitation services, to contribute 14% in respect of eligible employees to the GMPF. The structure of the agreement is such that the pension fund actuaries communicate changes in the contribution rate to the company, which must then make contributions at the revised rate, thus seeming to incur the actuarial and investment risk. The contract with the Ministry of Justice then requires a receipt or balancing payment to restrict the company's exposure back to 14%, as the contractual funding rate to be made by the company under the contract.

Management have considered whether a defined benefit liability (or asset) would need to be recognised at each accounting period, along with a corresponding asset (or liability) due from the Ministry of Justice. Management have concluded that, based upon initial contract discussions, the involvement of the pension fund and Ministry of Justice in key schedules within the contract, their review of the contract, and legal advice, that the substance of the transaction is such that the company has a defined contribution pension scheme and not a defined benefit scheme. Management have accounted for the scheme on this basis, as disclosed in the accounting policy 3.8 and Note 6 to the financial statements.

2.2 Transforming Rehabilitation provision

A provision has been estimated following correspondence from the Ministry of Justice (MoJ) in which they reserved their right to apply a retrospective adjustment to elements of income from the start of the Transforming Rehabilitation contract (February 2015). The value of the provision is based on our current knowledge of MoJ intentions, however, the final impact of any adjustment remains dependent on the outcome of final discussions and negotiations with the MoJ to jointly improve data integrity and quality upon which the calculations would be based.

3. Turnover

All turnover was earned in the United Kingdom.

All turnover was earned through the rendering of services.

4. Other operating income

	Period ended 30 September 2015	Period ended 31 March 2015
	£	£
Other operating income	-	9,352
	-	9,352

Notes to the Financial Statements
For the Period Ended 30 September 2015

5. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	Period ended 30 September 2015	Period ended 31 March 2015
	£	£
Depreciation of tangible fixed assets	**35,860**	90,822
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**12,850**	10,000
Fees payable to the company's auditors and its associates for other services to the group:		
- Accounts preparation	**-**	833
- Tax compliance services	**7,247**	3,666
Defined contribution pension cost	**727,827**	1,296,985

Notes to the Financial Statements

For the Period Ended 30 September 2015

6. Directors and employees

Staff costs, including directors' remuneration, were as follows:

	Period ended 30 September 2015	Period ended 31 March 2015
	£	£
Wages and salaries	**6,107,103**	10,727,112
Social security costs	**419,244**	693,935
Cost of defined pension scheme	**727,827**	1,296,985
	7,254,174	12,718,032

The company operates a pension scheme for the benefit of employees and directors which has a commercial substance equivalent to a defined contribution scheme. The assets of the scheme are administered by an independent pensions provider.

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 30 September 2015	Period ended 31 March 2015
	No.	No.
Directors	**4**	4
Other staff	**437**	450
	441	454

Notes to the Financial Statements

For the Period Ended 30 September 2015

7. Directors remuneration

Remuneration in respect of directors was as follows:

	Period ended 30 September 2015 £	Period ended 31 March 2015 £
Directors' emoluments	**42,733**	70,250
	42,733	70,250

During the period no directors participated in money purchase pension schemes (the Greater Manchester Pension Fund being considered a defined benefit pension scheme in this context).

8. Taxation

	Period ended 30 September 2015 £	Period ended 31 March 2015 £
United Kingdom corporation tax		
Current tax on profits for the year	**69,893**	293,022
Total current tax	**69,893**	293,022
Deferred tax		
Origination and reversal of timing differences	**(3,360)**	-
Total deferred tax	**(3,360)**	-
Taxation on profit on ordinary activities	**66,533**	293,022

Notes to the Financial Statements
For the Period Ended 30 September 2015

8. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (prior period - higher than) the standard rate of corporation tax in the UK of 20% (prior period - 21%). The differences are explained below:

	Period ended 30 September 2015	Period ended 31 March 2015
	£	£
Profit on ordinary activities before tax	**296,808**	1,304,519
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (prior period - 21%)	**59,362**	273,949
Effects of:		
Capital allowances for period in excess of depreciation	**7,172**	19,073
Other timing differences leading to an increase (decrease) in taxation	**(1)**	-
Total tax charge for the period	**66,533**	293,022

Factors that may affect future tax charges

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £Nil.

Notes to the Financial Statements
For the Period Ended 30 September 2015

9. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2015	76,179	733,618	30,848	840,645
At 30 September 2015	76,179	733,618	30,848	840,645
Depreciation				
At 1 April 2015	73,552	612,532	30,848	716,932
Charge for the period	1,314	34,546	-	35,860
At 30 September 2015	74,866	647,078	30,848	752,792
Net book value				
At 30 September 2015	1,313	86,540	-	87,853
At 31 March 2015	2,627	121,086	-	123,713

Notes to the Financial Statements
For the Period Ended 30 September 2015

10. Debtors

	30 September 2015 £	31 March 2015 £
Due within one year		
Trade debtors	**901,476**	482,480
Other debtors	**15,169**	-
Prepayments and accrued income	**1,810,260**	2,780,053
Deferred taxation	**3,360**	-
	2,730,265	3,262,533

11. Cash and cash equivalents

	30 September 2015 £	31 March 2015 £
Cash at bank and in hand	**3,326,114**	2,687,587
	3,326,114	2,687,587

12. Creditors: Amounts falling due within one year

	30 September 2015 £	31 March 2015 £
Trade creditors	**21,030**	135,558
Corporation tax	**69,894**	293,022
Taxation and social security	**1,044,022**	1,470,515
Other creditors	**5,447**	403,886
Accruals and deferred income	**3,762,056**	2,759,344
	4,902,449	5,062,325

Notes to the Financial Statements

For the Period Ended 30 September 2015

13. Deferred tax asset

	30 September 2015 £	31 March 2015 £
At 1 April 2015	-	-
Recognised/(released) in the period	3,360	-
At 30 September 2015	3,360	-

The deferred tax asset is made up as follows:

	30 September 2015 £	31 March 2015 £
Accelerated capital allowances	2,876	-
Other timing differences	484	-
Total deferred tax asset/(liability)	3,360	-

14. Reserves

Called-up share capital

Represents the nominal value of shares that have been issued.

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Statement of comprehensive income

Includes all current and prior period retained profits and losses.

Notes to the Financial Statements
For the Period Ended 30 September 2015

15. Share capital

	30 September 2015 £	31 March 2015 £
Allotted, called up and fully paid		
10 ordinary shares of £1 each	**10**	10
1 special rights redeemable preference share of £1	**1**	1
	11	11

Preference share
This type of share is only issued to, held by and transferred to the Crown and does not carry an entitlement to share in the capital or profits of the company. Special shareholder voting rights apply in relation to the voluntary winding up or dissolution of the company, the appointment of an administrator over its assets, creating, issuing, purchasing, reducing, buying back or redeeming shares in the capital of the company or reorganising its share or loan capital or the company varying any voting rights attached to any shares in it. The special shareholder also has voting rights in relation to amendments in relation to certain clauses of the company's articles. Special shareholder consent is required in relation to security interest in relation to the services agreement between the company and the Secretary of State or in relation to selling, transfer, lending or disposing of its business, employees or assets which would materially affect the company's obligations to the Secretary of State or in relation to the transfer or disposal of its ordinary shares.

16. Transactions with related parties

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

There were no other related party transactions in the period.

Notes to the Financial Statements
For the Period Ended 30 September 2015

17. Ultimate parent undertaking and controlling party

The parent undertaking and ultimate controlling party is Working Links (Employment) Limited, a company registered in England.

18. Revolving credit facility

There is a charge held over the company, brought about via an agreement entered into on 30th September 2015 by the parent company, Working Links (Employment) Limited, with the Royal Bank of Scotland in which they agreed to make available for general corporate purposes a revolving advance facility of £20 million. To date nothing has been drawn down against this. The charge specifically relates to future income from the contract with the Secretary of State for Justice.