



VISION WORKFORCE SKILLS LIMITED

Report and Financial Statements for the period ended 31 July 2014

Company Registration Number: 08387265

**VISION WORKFORCE SKILLS LIMITED
ANNUAL REPORT
FOR THE PERIOD ENDED 31 JULY 2014**

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Directors' report

The directors present their report and the audited financial statements for the period ended 31 July 2014.

Principal activity

The company is a private company limited by shares and is a wholly owned subsidiary of West Nottinghamshire College and was incorporated on the 4th February 2013. The principal activity of the company is the provision of education and training to learners and employers throughout England.

Change in Gift Aid Rules

The company has previously paid over all of its taxable profits, which would otherwise be liable to corporation tax, to West Nottinghamshire College under the Gift Aid scheme. In accordance with the accounting policies note, the directors now consider that the company is required to have distributable profits to make gift aid payments to the parent undertaking. After examining previous years' gift aid payments and distributable profit levels management have recognised a receivable of £8,000 due from West Nottinghamshire College, representing the amount by which gift aid payments exceeded distributable profits. This amount has been set off against the inter-company creditor.

Review of business and future developments

The loss on ordinary activities before taxation and dividends for the period ended 31 July 2014 amounted to £5,091,000 (2013: profit of £545,000). No payments were made under deed of covenant for the period (2013: £553,000). A repayment due from West Nottinghamshire College of £8,000 representing the excess of the Gift Aid payment in 2013 over distributable reserves is credited to the profit and loss account for 2014.

Dividends

The directors do not recommend the payment of any future dividends. The company made no political contributions during the period.

Directors, directors' interests and membership

The directors of the company who served during the period were:

G Howe

A Martin

M McNamara

M W Pryce – appointed 04 September 2013

T C Luker – appointed 04 September 2013

R I Baggaley – appointed 04 September 2013

Throughout the period the company has maintained a directors' and officers' liability insurance policy.

Directors' report (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 495 and 496 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by order of the Board of directors on 10 November 2014 and signed on its behalf by:



G Howe
Director

10 November 2014

Registered office
Derby Road
Mansfield
Nottinghamshire
NG18 5BH

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and 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 financial statements with UK Accounting Standards.

The financial statements are required by law to 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISION WORKFORCE SKILLS LIMITED

We have audited the financial statements of Vision Workforce Skills Limited for the year ended 31 July 2014 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 4, 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 31 July 2014 and of its profit / loss for the year then ended;
- have been properly prepared in accordance with UK 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 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.

A handwritten signature in black ink, appearing to read 'A Argyle', with a stylized flourish at the end.

A Argyle (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill

Queensway

Birmingham

B4 6GH

19 December 2014

Profit and loss account for the period ended 31 July 2014

		Period ended 31 July 2014	Period ended 31 July 2013
	Notes	£000	£000
Turnover	1	4,620	4,621
Cost of sales		(4,300)	(1,109)
Gross profit		<u>320</u>	<u>3,512</u>
Administrative expenses		(5,417)	(2,970)
Operating profit		<u>(5,097)</u>	<u>542</u>
Other interest receivable and similar income		<u>6</u>	<u>3</u>
Profit/(loss) on ordinary activities before taxation	3	(5,091)	545
Tax on profit on ordinary activities		<u>(-)</u>	<u>(-)</u>
Profit/(loss) on ordinary activities before and after taxation		(5,091)	545

All results related to continuing operations.

There are no other recognised gains and losses other than as shown in the profit and loss account.

The notes on pages 9 to 12 form part of these financial statements.

Balance sheet at 31 July 2014
Company Registration Number: 08387265

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible assets	5	-	73
Current assets			
Debtors	6	958	6,301
Cash at bank		484	2,812
		1,434	9,113
Creditors: amounts falling due within one year	7	(6,525)	(9,194)
Net current assets/(liabilities)		(5,091)	(81)
Total assets less current assets/(liabilities)		(5,091)	(8)
Capital and Reserves			
Called up share capital	8	0	0
Profit and loss account	10,14	(5,091)	(8)
Shareholders' funds	12	(5,091)	(8)

The notes on pages 9 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 10 November 2014 and were signed on its behalf by:



G Howe
Director

Notes to the financial statements for the period ended 31 July 2014

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the company's financial statements.

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards, and under the historic cost convention.

Going Concern

The parent undertaking, West Nottinghamshire College has confirmed that it will continue to provide financial support for the company for a period of at least twelve months following the date of signature of these financial statements.

Turnover

Turnover which excludes value added tax and trade discounts, represents the value of goods and services invoiced to customers during the year.

Cash flow statement

The company is exempt from the requirements of FRS 1 (revised) to prepare a cash flow statement as the financial statements of the parent undertaking include a consolidated cash flow statement.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisitions.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives. The principal annual rates used for this purpose are:

- Fixtures and fittings 20%
- Computer equipment 33¹/₃ %
- Motor vehicles 20%

Stocks

Work in progress is valued at the lower of cost or net realisable value. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Deferred taxation

Provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Notes to the financial statements for the period ended 31 July 2014 (continued)

Principal accounting policies (continued)

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their useful economic lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Distributable reserves

During the year the directors have reconsidered the presentation of gift aid payments in the financial statements. Previously the directors followed the Charity Commission guidance, but now understand that legal advice has been issued contradicting this. The directors now consider the gift aid payment to be akin to a distribution rather than an expense.

Deferred taxation

Provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

2. Employee and director information

The company had 106 employees during the year measured in full time equivalents. No director received any emoluments from the company during the year. Staff costs for the year were £4,300,000.

3. Profit/(loss) on ordinary activities before taxation

	2014 £000	2013 £000
Profit/(loss) before taxation is stated after charging:		
Depreciation	15	15
Director's emoluments and other benefits etc	-	-
Auditor's remuneration – audit services	8	5
Auditor's remuneration – non audit services	-	5

Notes to the financial statements for the period ended 31 July 2014 (continued)

4. Tax on profit/(loss) on ordinary activities

As explained in the accounting policies note, from the point that the whole of the share capital in the company was acquired by West Nottinghamshire College, no provision for deferred tax has been made on the grounds that the company transfers its taxable profits by deed of covenant to West Nottinghamshire College. Any difference between the distributable reserves and therefore the amount the company can transfer via a deed of covenant, will be covered by taxable losses incurred in 2013-14. No deferred tax asset or liability therefore will be realised in the Company.

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before taxation	(5,091)	545
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21%/23%	(1,069)	125
Effects of:		
Expenses not deductible for tax purposes	1,069	2
Gift Aid Distribution		(127)
Current tax charge for the year	0	0

5. Tangible fixed assets

	Fixtures & Fittings £000	Leasehold £000	Computer £000	Total £000
Cost				
As at 1 Aug 2013	13	61	14	88
Additions	-	10	39	49
Assets Impaired	(13)	(8)	-	(21)
Disposals	-	(63)	(53)	(116)
As at 31 July 2014	-	-	-	-
Depreciation				
As at 1 Aug 2013	1	13	1	15
Charged in the period	3	32	16	51
Eliminated on Disposal	(4)	(45)	(17)	(66)
As at 31 July 2014	-	-	-	-
Net Book Value				
At 31 July 2014	-	-	-	-
At 31 July 2013	12	48	13	73

Notes to the financial statements for the period ended 31 July 2014 (continued)

6. Debtors

	2014 £000	2013 £000
Trade debtors	85	6
Amounts owed by group undertakings	0	0
Prepayments and accrued income	865	6,295
	<u>950</u>	<u>6,301</u>

7. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	58	68
Amounts owed to group undertakings	1,338	57
Other creditors including: taxation and social security	1,732	2,569
Accruals and deferred income	3,397	6,500
	<u>6,525</u>	<u>9,194</u>

8. Called up share capital

	2014 £	2013 £
Authorised		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. Commitments and contingencies

There were no contingent liabilities or capital commitments at 31 July 2014.

10. Profit and loss account

	2014 £000	2013 £000
Balance at 1 August	(8)	-
Profit/ (Loss) for the period as previously stated	(5,091)	(8)
Removal of Gift aid as a cost	-	553
Gift aid distribution	-	(553)
Repayment of Gift aid	8	-
Balance at 31 July	<u>(5,091)</u>	<u>(8)</u>

Notes to the financial statements for the period ended 31 July 2014 (continued)

11. Reconciliation of movements in shareholder's funds

	2014 £000	2013 £000
Opening shareholder's surplus	(8)	-
New Shares	-	-
Profit for the period	(5,091)	545
Gift aid distribution	-	553
Reversal of Prior Year gift aid distribution	8	
Closing shareholder's surplus	<u>(5,091)</u>	<u>(8)</u>

12. Ultimate parent undertaking

The company is a wholly owned subsidiary of West Nottinghamshire College, incorporated under the Further and Higher Education Act 1992 which is also the ultimate controlling party. Copies of the parent's consolidated financial statements can be obtained from West Nottinghamshire College, Derby Road, Mansfield, Nottinghamshire, NG18 5BH.

13. Distributions

	2014 £000	2013 £000
Gift Aid Payments to West Nottinghamshire College	0	
Reversal of Gift Aid Payments to West Nottinghamshire College	8	0

As stated in the accounting policy note Gift Aid payments were reclassified as distributions in 2014 therefore the above note is now presented.