

**Annual Report and
Financial Statements for the Year Ended 31 July 2019
for
The Leicestershire College Limited**

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Company Information

Directors

Wendy E Coy
John W Doherty
Hari N Khurmi
Jonathan Morgan
Ian R Sharpe

Registered Office

Radmoor Road
Loughborough
Leicestershire
LE11 3BT

Registered Number

10462838

Independent auditors:

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Strategic Report for the Year Ended 31 July 2019

The Leicestershire College Limited is wholly owned by Loughborough College in Leicestershire. It was incorporated on 4th November 2016 within the UK. The principal activity of the company is the provision of support services to Loughborough College.

Business Review

The Leicestershire College Limited operates out of premises in Loughborough, Leicestershire from where its core services are delivered and marketed. The key performance measures that the Board of Directors and sole shareholder uses to monitor progress of the company against its objectives are:

- Margins at operational level;
- Turnover growth;
- Solvency;
- Staff turnover; and
- Staff skills development.

During the year ended 31 July 2019 the Board has monitored performance against the budget and the agreed business strategy and plans. Moving forward the board will continue to develop and refine the objectives and performance targets.

Prior year accounts to 31 July 2018 were for a shortened period of 8 months, to align the accounting reference date with the parent undertaking. The company was inactive during this period.

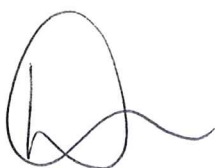
Future Prospects

The company is anticipated to grow further in the future as staff numbers increase to service Loughborough College.


Principal Risks and Uncertainties

The principal risk and uncertainty around the future for the business is related to the continuing engagement and demand from the core customer, Loughborough College.

On behalf of the Board:



Wendy Coy
Director
16th December 2019



John Doherty
Director
16th December 2019

Directors' Report

for the Year Ended 31 July 2019

The directors present their Directors' Report and audited financial statements for the year ended 31 July 2019.

Principal Activities and Review of the Business

The company's principal activity during the year was to support Loughborough College in its development and increase competitiveness in the economy whilst providing opportunity for improved quality and efficiency. It also supports the Loughborough College journey towards its 2020 vision of becoming a top 10 training provider. Future developments of the company are detailed in the Strategic Report.

Dividends

No dividends are proposed up to the date of signing and as a result, no dividends will be distributed for the year ended 31 July 2019 (8 month period ended 30 November 2018: Nil).

Directors

The directors shown below have held office during the whole of the period from 1 August 2018 to the date of this report.

Name	Date of Appointment	Date of resignation
John W Doherty	February 2018	-
Hari N Khurmi	November 2016	-
Jonathan Morgan	December 2016	-
Ian R Sharpe	February 2018	-

Other changes in directors holding office are as follows:

Name	Date of Appointment	Date of resignation
Mrs A Traynor	November 2016	December 2018
Wendy E Coy	January 2019	-

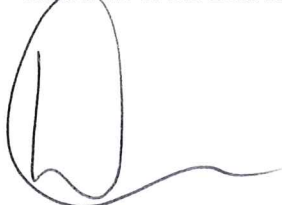
Statement as to Disclosure of Information to Auditors

In the case of each director in office at the Directors' Report is approved, so far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

For the financial year 2018/19, the auditors were PricewaterhouseCoopers LLP. New auditors will be proposed for appointment at the forthcoming Annual General Meeting, following a tendering process.

On behalf of the Board:



Wendy Coy
Director
16th December 2019



John Doherty
Director
16th December 2019

Statement of Directors' Responsibilities in Respect of the Financial Statements for the Year Ended 31 July 2019

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in the 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. The directors are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditors' report to the members of The Leicestershire College Limited

Report on the audit of the financial statements

Opinion

In our opinion, The Leicestershire College Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of The Leicestershire College Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of The Leicestershire College Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the period ended 31 July 2018, forming the corresponding figures of the financial statements for the year ended 31 July 2019, are unaudited.

David Martin

David Martin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

18 December 2019

Statements of Comprehensive Income

Year Ended 31 July 2019

	Note	Year Ended 31 July 2019 £	8 Months Ended 31 July 2018 £
Turnover	3	299,233	0
Cost of Sales	4	(254,562)	0
Gross Profit		44,671	0
Administrative Expenses	5	(40,316)	0
Operating Profit	6	4,355	0
Profit before Interest and Taxation		4,355	0
Other interest receivable and similar income		0	0
Interest payable and similar charges		0	0
Profit Before Taxation		4,355	0
Taxation	7	0	0
Profit for the Financial Year		4,355	0
Total Comprehensive Income for the Year		4,355	0

All amounts relating to continuing activities.

The notes on pages 13 to 18 form part of the financial statements.

Balance Sheet

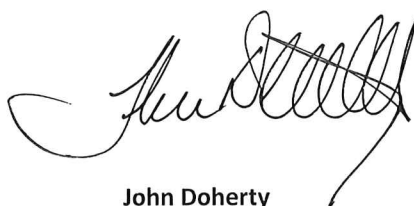
As at 31 July 2019

	Note	Year Ended 31 July 2019 £	8 Months Ended 31 July 2018 £
Current Assets			
Debtors	8	35,082	1
Cash at bank and in hand		12,753	0
		<u>47,835</u>	<u>1</u>
Creditors – Amounts Falling Due Within One Year	9	(43,479)	0
Net Current Assets		<u>4,356</u>	<u>1</u>
Total Assets Less Current Liabilities		<u>4,356</u>	<u>1</u>
Total Net Assets		<u>4,356</u>	<u>1</u>
Capital and Reserves			
Retained Earnings		4,355	0
Called up Share Capital	10	1	1
Total Unrestricted Reserves		<u>4,356</u>	<u>1</u>
Shareholder's funds		<u>4,356</u>	<u>1</u>

The financial statements on pages 10 to 18 were approved and authorised for issue by the Directors on 16th December 2019 and were signed on its behalf on that date by:



Wendy Coy
Director



John Doherty
Director

Statements of Changes in Equity
Year Ended 31 July 2019

	Called up Share Capital	Retained Earnings	Total Equity
	£	£	£
Balance at 1st December 2017	1	0	1
Total Comprehensive Income for the Period	0	0	0
Total Comprehensive Income for the Period	0	0	0
Balance at 31st July 2018	1	0	1
Profit for the Financial Year and Total Comprehensive Income for the Year	0	4,355	4,355
Total Comprehensive Income for the Year	0	4,355	4,355
Balance at 31st July 2019	1	4,355	4,356

Notes to the Financial Statements for the Year Ended 31 July 2019

1 Statutory Information

The Leicestershire College Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The company is incorporated in the United Kingdom. The presentation currency of the financial statements is the Pound Sterling (£).

2 Accounting Policies

These financial statements were prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and the Companies Act 2006. The financial statements are prepared in accordance with the historical cost convention.

The amendments to FRS 102 issued in September 2015 have been applied, together with those relating to gift aid included in the Triennial Review of FRS 102, issued in December 2017. The effect of the adoption of the gift aid amendments was to change its tax treatment such that a corporation tax charge in the Profit and Loss Account and an associated tax credit in the Statement of Changes in Equity are no longer required.

The company's ultimate parent undertaking, and the smallest and largest group to consolidate these financial statements, is Loughborough College and includes the company in its consolidated financial statements. The consolidated financial statements of Loughborough College are prepared in accordance with FRS102 and are available to the public and may be obtained from Loughborough College. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes (Section 7 of FRS 102 and para 3.17 (d)); and
- Key Management Personnel compensation (para 33.7).

As the consolidated financial statements of Loughborough College include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument and FRS 102.12 Other Financial Instrument Issues not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting estimates and judgements

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment of debtors

The company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. For the current year, as all balances are intercompany, there is no such estimate made.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior period.

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised once the service has been provided to the College in accordance with the Services agreement. Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

Financial instruments

Basic financial instruments

Non-derivative financial instruments comprise, trade and other debtors, cash and cash equivalents and trade and other creditors. The company has decided to apply the provisions of section 11 'Basic Financial Instruments' and sections 12 'Other Financial Instruments'. The financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. If any arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Included are certain amounts held in segregated accounts where required by applicable local law which are used to settle auction proceeds payable.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. If any arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Notes to the Financial Statements (continued)

2 Accounting Policies (continued)

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3 Turnover

	Year Ended 31 July 2019	8 Months Ended 31 July 2018
	2019	2018
	£	£
Services	298,033	0
Miscellaneous Income	1,200	0
Total	299,233	0

All turnover relates to UK based activity and provision of Education based support services.

4 Employees and Directors

The monthly average number of persons (including Directors) employed by the Company during the year, described as full-time equivalents, was:

	Year Ended 31 July 2019	8 Months Ended 31 July 2018
	No.	No.
Operations	14	0
	14	0

Staff Costs for the Above Persons

	Year Ended 31 July 2019	8 Months Ended 31 July 2018
	£	£
Wages and Salaries	235,239	0
Social Security Costs	13,993	0
Other Pension Costs	5,330	0
Payroll Total	254,562	0

No Director received any emoluments from the company during the year (8 months ended 31 July 2018: £Nil). The cost has been borne by the Parent undertaking.

Notes to the Financial Statements (continued)

5 Administrative Expenses

	Year Ended 31 July 2019	8 Months Ended 31 July 2018
	£	£
Professional Services	9,360	0
Travel	2,349	0
Insurance	1,254	0
Legal Fees	4,272	0
Secondment Cost	22,739	0
Sundry Expenses	342	0
Total	40,316	0

6 Operating Profit

	Year Ended 31 July 2019	8 Months Ended 31 July 2018
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	8,400	0
Total	8,400	0

7 Tax on Profit

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 July 2019 nor for the 8 month period ended 31 July 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31 July 2019	8 Months Ended 31 July 2018
	£	£
Profit before tax	4,355	0
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	828	0
Effects of Gift aid	(828)	0
Total tax charge	0	0

Notes to the Financial Statements (continued)

8 Debtors

	31 July 2019	31 July 2018
	£	£
Trade Debtors	0	0
Prepayments and Accrued Income	0	0
Amounts Owed by Group Undertakings:	35,082	1
Total	35,082	1

Amounts owed by group undertakings are trading balances repayable on demand and are non-interest bearing.

9 Creditors: Amounts Falling Due Within One Year

	31 July 2019	31 July 2018
	£	£
Trade Creditors	1,129	0
Corporation Tax	0	0
Amounts Owed to Group Undertakings:	0	0
Taxation and Social Security	10,763	0
Accruals and Deferred Income	28,162	0
Holiday Accrual	3,425	0
Total	43,479	0

Amounts owed by group undertakings are trading balances repayable on demand and are non-interest bearing.

10 Called Up Share Capital

	31 July 2019	31 July 2018
	£	£
Authorised, allocated, issued and not fully paid		
Ordinary shares of £1 each (Nominal & Par Value)	1	1
Total	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Notes to the Financial Statements (continued)

11 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pensions cost charge represents contributions payable by the company to the existing scheme.

12 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Loughborough College, an entity incorporated under the Further and Higher Education Act 1992 which is also the ultimate controlling party. Copies of the ultimate parent undertaking's financial statements may be obtained from Loughborough College, Radmoor Road, Loughborough, Leicestershire LE11 3BT. Loughborough College is the smallest and largest group wo consolidate the Financial Statements with.

13 Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS102 Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by Loughborough College, whose financial statements are publicly available.