

STAFF SELECT LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

Inspired Accountants Limited
Statutory Auditors
Chartered Accountants
4 Parkside Court
Greenhough Road
Lichfield
Staffordshire
WS13 7FE



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FOR THE YEAR ENDED 31 JULY 2018**

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STAFF SELECT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2018

DIRECTORS:

S R Bucknall
Miss L J Bucknall
D G Bucknall

SECRETARY:

Miss L J Bucknall

REGISTERED OFFICE:

3 Lower Lichfield Street
Willenhall
West Midlands
WV13 1PX

REGISTERED NUMBER:

02845770 (England and Wales)

SENIOR STATUTORY AUDITOR: Paul Bulzacchelli FCCA

AUDITORS:

Inspired Accountants Limited
Statutory Auditors
Chartered Accountants
4 Parkside Court
Greenhough Road
Lichfield
Staffordshire
WS13 7FE

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**

Nova Training is a trading division of the recruitment agency Staff Select Ltd which has its head offices in Willenhall.

Nova provides government funded education and apprenticeships through contracts with the Education and Skills Funding Agency. Additionally Nova provides services to Schools and other education institutions which is privately funded. Nova delivers these services throughout the West Midlands and East of England.

Staff Select Limited is controlled by the Managing Director. The Commercial Director takes responsibility for the financial management of the business. The Operations Director takes overall responsibility for the day to day business functions. Four Operations Managers support the Operations Director.

REVIEW OF BUSINESS

Business Environment

Over the past 12 months the reforms to the Apprenticeship delivery and funding system have started to embed. The organisation has carefully introduced these changes on a phased basis. Whilst this phased implementation has meant reduced revenues for framework delivery versus standards it has ensured that success rates and quality have been protected and that a thorough programme of staff development has been and continues to be undertaken. This approach has enabled the organisation to increase learner numbers and sustain success rates against a national trend of decreasing numbers and success rates.

The national funding rates for Study Programmes has again been held yet again. Costs for the delivery of this programme have continued to increase with the introduction of GCSE programmes. Discrete changes by the ESFA in the way the funding rules are applied have also decreased revenues in year for learners completing their programmes early. Our success rates, progression and most importantly in respect of funding, retention rates have continued to increase which will see an increase in the level of funding per learner in the coming year.

Demand has continued to increase for learners with high needs. This has now started to filter through into our ESFA allocation. There continue to be difficulties in respect of element 2 funding with some Local Authorities.

The business has not actively sought to establish centres in new geographical locations in recent years. This has enabled us to have a sharp focus on the integration of the provision within the East of England. This provision has made good improvements year on year in respect of quality, revenue and profitability. Apprenticeship delivery has now become more widespread as we have been successful in securing delivery with some large levy paying companies.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the director's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties affecting the business are set out below

Future Outlook

The Government's management of the budget for the delivery of Apprenticeships to non-levy employers is a key area of risk. This area of delivery is our primary revenue for the Apprenticeship programme. Furthermore the Apprenticeship department is the largest single contributor to company profit. Whilst the organisation has received a healthy allocation for the coming year this does not leave any significant funding for growth. Furthermore the Government has publicised that there will be no opportunities for growth in allocations in the coming year. To counter this the organisation will be moving more emphasis to the development of relationships and delivery with levy paying employers.

The delivery of programmes for learners with high needs is expected to continue to grow. The organisation will continue with its consolidation programme on Study Programmes in the year ahead and will be making revisions to the delivery structure.

Competition

FE Colleges continue to be the primary competitor on Study Programmes. Targeted and more focused marketing will ensure we remain competitive.

Ensuring we publicise more widely our success rates and Ofsted outstanding rating to large employers this should enable us to secure more large accounts.

Human Resources

The company's ability to recruit and retain staff is key to future growth of the business. The directors place a significant emphasis upon the recruitment, retention and performance of the company's staff through training and development, employee welfare, career progression and employee benefits.

Self-Assessment and Quality Improvement Planning

Our Self-Assessment and Quality Improvement process is a fundamental driver to our business. Where we have identified provision that does not meet a minimum of grade 2 (good) we will not pursue growth until such a time that we are satisfied that sufficient remedies and quality improvement measures have been implemented. The provision will then be fully re-evaluated.

Our Business Plan and Strategic Objectives will also take into consideration the findings of the Self-Assessment process. The plan will set and bring about improvements that can demonstrate significant benefits to learners, the local community and as such improve our reputation, success rates and prosperity of securing new business.

IT and Finance Systems

It is important that reliable and robust IT and financial systems and processes are in place to enable the company to operate effectively and efficiently. As such the organisation has now appointed a new IT supplier to overhaul the company IT network and infrastructure. This will give all centres more reliable and faster internet connections as well as greater controls on learner internet access and increased protection from virus's and hackers. It will also enable all staff and learners to work and train on the very latest software.

Finance systems, processes and controls are managed by an experienced finance team and are overseen by senior management and Directors.

ON BEHALF OF THE BOARD:

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**



Miss L J Bucknall - Director

23 April 2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2018**

The directors present their report with the financial statements of the company for the year ended 31 July 2018.

DIVIDENDS

The total distribution of dividends for the year ended 31 July 2018 will be £124,037.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2017 to the date of this report.

S R Bucknall
Miss L J Bucknall

Other changes in directors holding office are as follows:

D G Bucknall - appointed 20 March 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

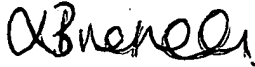
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2018**

AUDITORS

The auditors, Inspired Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Miss L J Bucknall - Director

23 April 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STAFF SELECT LIMITED

Opinion

We have audited the financial statements of Staff Select Limited (the 'company') for the year ended 31 July 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STAFF SELECT LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.



Paul Bulzacchelli FCCA (Senior Statutory Auditor)
for and on behalf of Inspired Accountants Limited
Statutory Auditors
Chartered Accountants
4 Parkside Court
Greenhough Road
Lichfield
Staffordshire
WS13 7FE

25 April 2019

STAFF SELECT LIMITED (REGISTERED NUMBER: 02845770)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	2017 £
TURNOVER		13,435,060	12,901,771
Cost of sales		<u>8,623,932</u>	<u>8,575,168</u>
GROSS PROFIT		4,811,128	4,326,603
Administrative expenses		<u>3,922,533</u>	<u>3,656,494</u>
		888,595	670,109
Other operating income		<u>12,728</u>	<u>8,160</u>
OPERATING PROFIT	5	901,323	678,269
Interest receivable and similar income		<u>4,298</u>	<u>1,406</u>
		905,621	679,675
Interest payable and similar expenses	6	<u>2,005</u>	<u>2,005</u>
PROFIT BEFORE TAXATION		903,616	677,670
Tax on profit	7	<u>218,894</u>	<u>110,308</u>
PROFIT FOR THE FINANCIAL YEAR		<u>684,722</u>	<u>567,362</u>

The notes form part of these financial statements

STAFF SELECT LIMITED (REGISTERED NUMBER: 02845770)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		684,722	567,362
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>684,722</u>	<u>567,362</u>


The notes form part of these financial statements

STAFF SELECT LIMITED (REGISTERED NUMBER: 02845770)

**BALANCE SHEET
31 JULY 2018**

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		1,272,871		1,322,933
Investment property	11		139,000		139,000
			<u>1,411,871</u>		<u>1,461,933</u>
CURRENT ASSETS					
Debtors	12	1,320,419		1,142,446	
Cash at bank and in hand		1,829,511		2,258,200	
		<u>3,149,930</u>		<u>3,400,646</u>	
CREDITORS					
Amounts falling due within one year	13	1,959,373		2,859,228	
NET CURRENT ASSETS			<u>1,190,557</u>		<u>541,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,602,428</u>		<u>2,003,351</u>
CREDITORS					
Amounts falling due after more than one year	14		(19,138)		(24,771)
PROVISIONS FOR LIABILITIES	16		(150,545)		(106,520)
NET ASSETS			<u><u>2,432,745</u></u>		<u><u>1,872,060</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		90		90
Retained earnings	18		2,432,655		1,871,970
SHAREHOLDERS' FUNDS			<u><u>2,432,745</u></u>		<u><u>1,872,060</u></u>

The financial statements were approved by the Board of Directors on 23 April 2019 and were signed on its behalf by:



Miss L J Bucknall - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2016	90	3,654,608	3,654,698
Changes in equity			
Dividends	-	(2,350,000)	(2,350,000)
Total comprehensive income	-	567,362	567,362
Balance at 31 July 2017	<u>90</u>	<u>1,871,970</u>	<u>1,872,060</u>
Changes in equity			
Dividends	-	(124,037)	(124,037)
Total comprehensive income	-	684,722	684,722
Balance at 31 July 2018	<u><u>90</u></u>	<u><u>2,432,655</u></u>	<u><u>2,432,745</u></u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	7,544	1,508,669
Interest element of hire purchase payments paid		(2,005)	(2,005)
Tax paid		(122,446)	(82,094)
Net cash from operating activities		<u>(116,907)</u>	<u>1,424,570</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(273,185)	(472,257)
Sale of tangible fixed assets		-	43,500
Interest received		4,298	1,406
Net cash from investing activities		<u>(268,887)</u>	<u>(427,351)</u>
Cash flows from financing activities			
Loan from group		95,467	2,087,852
Capital repayments in year		(5,932)	(6,162)
Amount introduced by directors		99,811	68,553
Amount withdrawn by directors		(108,204)	(31,841)
Equity dividends paid		(124,037)	(2,350,000)
Net cash from financing activities		<u>(42,895)</u>	<u>(231,598)</u>
(Decrease)/increase in cash and cash equivalents		<u>(428,689)</u>	<u>765,621</u>
Cash and cash equivalents at beginning of year	2	2,258,200	1,492,579
Cash and cash equivalents at end of year	2	<u>1,829,511</u>	<u>2,258,200</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	903,616	677,670
Depreciation charges	323,245	343,999
Profit on disposal of fixed assets	-	(26,448)
Finance costs	2,005	2,005
Finance income	(4,298)	(1,406)
	<u>1,224,568</u>	<u>995,820</u>
Decrease/(increase) in trade and other debtors	82,220	(197,858)
(Decrease)/increase in trade and other creditors	<u>(1,299,244)</u>	<u>710,707</u>
Cash generated from operations	<u><u>7,544</u></u>	<u><u>1,508,669</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2018

	31.7.18	1.8.17
	£	£
Cash and cash equivalents	<u><u>1,829,511</u></u>	<u><u>2,258,200</u></u>

Year ended 31 July 2017

	31.7.17	1.8.16
	£	£
Cash and cash equivalents	<u><u>2,258,200</u></u>	<u><u>1,492,579</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

1. **STATUTORY INFORMATION**

Staff Select 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.

2. **STATEMENT OF COMPLIANCE**

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

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2013, is being amortised evenly over its estimated useful life of two years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Outward bound rights are being amortised evenly over their estimated useful life of nil years.

Outward bound rights

Outward bound rights are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- 12.5% on reducing balance
Plant and machinery	- at variable rates on reducing balance
Fixtures and fittings	- at variable rates on reducing balance
Motor vehicles	- 25% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve, unless the total of the revaluation reserve is insufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the revaluation reserve is charged to the profit and loss account.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

3. ACCOUNTING POLICIES - continued**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 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.

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 estimated useful lives or the lease term, whichever is the shorter.

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

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	7,745,792	7,168,586
Other pension costs	105,018	84,497
	<u>7,850,810</u>	<u>7,253,083</u>

The average number of employees during the year was as follows:

	2018	2017
Average monthly number of employees	<u>306</u>	<u>310</u>

	2018	2017
	£	£
Directors' remuneration	<u>20,603</u>	<u>17,706</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Hire of plant and machinery	52,181	46,054
Other operating leases	63,171	75,383
Depreciation - owned assets	315,585	341,200
Depreciation - assets on hire purchase contracts	7,662	2,753
Profit on disposal of fixed assets	-	(26,448)
Auditors' remuneration	15,750	10,000
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Hire purchase interest paid	2,005	2,005
	<u> </u>	<u> </u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	174,869	126,636
Deferred tax	44,025	(16,328)
Tax on profit	<u>218,894</u>	<u>110,308</u>

Reconciliation of total tax charge included in profit and loss

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

	2018	2017
	£	£
Profit before tax	<u>903,616</u>	<u>677,670</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.352% (2017 - 18.686%)	174,868	126,629
Effects of:		
Expenses not deductible for tax purposes	1	7
balance sheet		
Deferred tax	44,025	(16,328)
Total tax charge	<u>218,894</u>	<u>110,308</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

8. DIVIDENDS

	2018 £	2017 £
Interim	<u>124,037</u>	<u>2,350,000</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £	Outward bound rights £	Totals £
COST			
At 1 August 2017 and 31 July 2018	<u>235,000</u>	<u>30,000</u>	<u>265,000</u>
AMORTISATION			
At 1 August 2017 and 31 July 2018	<u>235,000</u>	<u>30,000</u>	<u>265,000</u>
NET BOOK VALUE			
At 31 July 2018	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 2017	<u>-</u>	<u>-</u>	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2017	279,161	358,283	2,139,022	308,769	3,085,235
Additions	<u>31,280</u>	<u>141,933</u>	<u>69,572</u>	<u>30,400</u>	<u>273,185</u>
At 31 July 2018	<u>310,441</u>	<u>500,216</u>	<u>2,208,594</u>	<u>339,169</u>	<u>3,358,420</u>
DEPRECIATION					
At 1 August 2017	65,776	221,590	1,336,650	138,286	1,762,302
Charge for year	<u>29,320</u>	<u>52,560</u>	<u>197,633</u>	<u>43,734</u>	<u>323,247</u>
At 31 July 2018	<u>95,096</u>	<u>274,150</u>	<u>1,534,283</u>	<u>182,020</u>	<u>2,085,549</u>
NET BOOK VALUE					
At 31 July 2018	<u>215,345</u>	<u>226,066</u>	<u>674,311</u>	<u>157,149</u>	<u>1,272,871</u>
At 31 July 2017	<u>213,385</u>	<u>136,693</u>	<u>802,372</u>	<u>170,483</u>	<u>1,322,933</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

10. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 August 2017 and 31 July 2018	51,968
DEPRECIATION	
At 1 August 2017	14,591
Charge for year	7,662
At 31 July 2018	22,253
NET BOOK VALUE	
At 31 July 2018	29,715
At 31 July 2017	37,377

11. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 August 2017 and 31 July 2018	139,000
NET BOOK VALUE	
At 31 July 2018	139,000
At 31 July 2017	139,000

The investment property was originally revalued on an open market basis 11 March 2015 by Butters John Bee. At the balance sheet date the Directors consider that the valuation of the investment property remains the same.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	483,885	569,129
Amounts owed by group undertakings	253,982	-
Other debtors	1,656	12,627
Staff loans	-	9,909
Rent deposits	64,958	64,958
Directors' current accounts	6,211	-
VAT	53,894	-
Prepayments and accrued income	455,833	485,823
	1,320,419	1,142,446

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Hire purchase contracts (see note 15)	5,634	5,933
Trade creditors	389,310	579,523
Amounts owed to group undertakings	380,073	30,626
Tax	179,059	126,636
Social security and other taxes	146,406	150,430
Wages control	(571)	471,106
Pensions	20,924	16,035
VAT	-	636
Other creditors	256,400	141,528
Directors' current accounts	24,011	26,193
Accrued expenses	558,127	1,310,582
	<u>1,959,373</u>	<u>2,859,228</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Hire purchase contracts (see note 15)	<u>19,138</u>	<u>24,771</u>

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2018	2017
	£	£
Net obligations repayable:		
Within one year	5,634	5,933
Between one and five years	19,138	24,771
	<u>24,772</u>	<u>30,704</u>

16. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	<u>150,545</u>	<u>106,520</u>
		Deferred tax
		£
Balance at 1 August 2017		106,520
Provided during year		<u>44,025</u>
Balance at 31 July 2018		<u>150,545</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JULY 2018

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018 £	2017 £
Number:	Class:			
90	Ordinary	1	<u>90</u>	<u>90</u>

18. RESERVES

	Retained earnings £
At 1 August 2017	1,871,970
Profit for the year	684,722
Dividends	<u>(124,037)</u>
At 31 July 2018	<u>2,432,655</u>

19. ULTIMATE PARENT COMPANY

Bucknall Management Services Limited is regarded by the directors as being the company's ultimate parent company.

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 July 2018 and 31 July 2017:

	2018 £	2017 £
S R Bucknall		
Balance outstanding at start of year	(19,201)	12,452
Amounts advanced	10,304	11,315
Amounts repaid	(6,000)	(42,968)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>(14,897)</u>	<u>(19,201)</u>
D G Bucknall		
Balance outstanding at start of year	-	-
Amounts advanced	69,700	-
Amounts repaid	(63,489)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>6,211</u>	<u>-</u>

The Directors loan was repaid within nine months of the year end by salary sacrifice.

21. ULTIMATE CONTROLLING PARTY

The controlling party is S R Bucknall.