

**REGISTERED NUMBER: 05768964 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017  
FOR  
SYSCO BUSINESS SKILLS ACADEMY LTD**

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for the Year Ended 31 July 2017**

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**SYSCO BUSINESS SKILLS ACADEMY LTD**

**COMPANY INFORMATION**  
**for the Year Ended 31 July 2017**

**DIRECTORS:**

I Smith  
C J Donaldson  
Mrs V Forshaw  
Mrs J Slater

**SECRETARY:**

Mrs V Forshaw

**REGISTERED OFFICE:**

The Threlfall Building  
Trueman Street  
Liverpool  
Merseyside  
L3 2BA

**REGISTERED NUMBER:**

05768964 (England and Wales)

**AUDITORS:**

Fairhurst  
Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB

**STRATEGIC REPORT  
for the Year Ended 31 July 2017**

The directors present their strategic report for the year ended 31 July 2017.

**REVIEW OF BUSINESS**

During the year the company has seen a rise in turnover to £2,931,307 (2016 £2,841,516) which represents a 3.2% increase on last year.

The company is reporting an operating loss of £106,209 (2016 profit £28,719) after charging depreciation and goodwill amortisation of £122,252 (2016 £123,418).

As reported last year the company has continued the process of reconfiguring itself due to the significant changes in the Apprenticeship market, particularly with the introduction of the Apprenticeship Levy. The company did make an investment in a national provider which unfortunately received a Grade 4 Ofsted inspection and subsequently had its funding allocation retracted. This led to this company going into receivership. The investment that had been made had been protected and therefore Sysco Business Skills Academy Ltd has not suffered any material loss however there had been some distraction to the management team of Sysco Business Skills Academy Ltd due to its involvement with this company and this reduced the speed of change required to meet the challenges ahead. This diminution of focus has now been corrected and the management have a clear focus on maintaining the high achievement levels that Sysco Business Skills Academy Ltd achieves. The directors are confident that Sysco Business Skills Academy Ltd has a sound base to address the challenges ahead.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk to the business is the continuing developments within the training industry sector.

**FINANCIAL RISK MANAGEMENT**

The company is exposed to financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The responsibility of continually monitoring these risks is with the board of directors.

**ON BEHALF OF THE BOARD:**

  
.....  
Mrs V Forshaw - Secretary

Date: 20<sup>th</sup> November 2017

**REPORT OF THE DIRECTORS  
for the Year Ended 31 July 2017**

The directors present their report with the financial statements of the company for the year ended 31 July 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of training services.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 July 2017.

**DIRECTORS**

I Smith has held office during the whole of the period from 1 August 2016 to the date of this report.

Other changes in directors holding office are as follows:

C J Donaldson, Mrs V Forshaw and Mrs J Slater were appointed as directors after 31 July 2017 but prior to the date of this report.

P J Donaldson ceased to be a director after 31 July 2017 but prior to the date of this report.

**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). 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.

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

  
.....  
Mrs V Forshaw - Secretary

Date: 20<sup>th</sup> November 2017

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SYSCO BUSINESS SKILLS ACADEMY LTD**

### **Opinion**

We have audited the financial statements of Sysco Business Skills Academy Ltd (the 'company') for the year ended 31 July 2017 on pages six to sixteen. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its loss 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 were:

- 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 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, 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 SYSCO BUSINESS SKILLS ACADEMY LTD

### 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 three, 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.

### Our 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



James J Weston FCCA (Senior Statutory Auditor)  
for and on behalf of Fairhurst

Statutory Auditor  
Chartered Accountants  
Douglas Bank House  
Wigan Lane  
Wigan  
Lancashire  
WN1 2TB

Date: 21 November 2017

**STATEMENT OF COMPREHENSIVE INCOME**  
for the Year Ended 31 July 2017

	Notes	2017 £	2016 £
<b>TURNOVER</b>		2,931,307	2,841,516
Cost of sales		<u>1,504,276</u>	<u>1,182,727</u>
<b>GROSS PROFIT</b>		1,427,031	1,658,789
Administrative expenses		<u>1,533,240</u>	<u>1,630,070</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	(106,209)	28,719
Interest receivable and similar income		<u>52</u>	<u>723</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(106,157)	29,442
Tax on (loss)/profit	5	<u>(456)</u>	<u>27,454</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(105,701)	1,988
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>(105,701)</u></u>	<u><u>1,988</u></u>

The notes form part of these financial statements



**BALANCE SHEET**  
**31 July 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	6	416,667	516,667
Tangible assets	7	<u>72,885</u>	<u>78,423</u>
		489,552	595,090
<b>CURRENT ASSETS</b>			
Debtors	8	1,090,179	963,776
Cash at bank and in hand		<u>311,780</u>	<u>193,241</u>
		1,401,959	1,157,017
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>646,646</u>	<u>381,085</u>
<b>NET CURRENT ASSETS</b>		<u>755,313</u>	<u>775,932</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,244,865	1,371,022
<b>PROVISIONS FOR LIABILITIES</b>	11	<u>9,841</u>	<u>30,297</u>
<b>NET ASSETS</b>		<u>1,235,024</u>	<u>1,340,725</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	250,000	250,000
Retained earnings	13	<u>985,024</u>	<u>1,090,725</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,235,024</u>	<u>1,340,725</u>

The financial statements were approved by the Board of Directors on 20<sup>th</sup> November 2017 and were signed on its behalf by:

I Smith  
I Smith - Director

**STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 July 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 August 2015</b>	250,000	1,088,737	1,338,737
<b>Changes in equity</b>			
Total comprehensive income	-	1,988	1,988
<b>Balance at 31 July 2016</b>	250,000	1,090,725	1,340,725
<b>Changes in equity</b>			
Total comprehensive income	-	(105,701)	(105,701)
<b>Balance at 31 July 2017</b>	250,000	985,024	1,235,024

The notes form part of these financial statements

**CASH FLOW STATEMENT  
for the Year Ended 31 July 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	161,950	(158,709)
Tax paid		<u>(24,724)</u>	<u>(66,704)</u>
Net cash from operating activities		<u>137,226</u>	<u>(225,413)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(18,739)	(31,244)
Interest received		<u>52</u>	<u>723</u>
Net cash from investing activities		<u>(18,687)</u>	<u>(30,521)</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>		 118,539	 (255,934)
<b>Cash and cash equivalents at beginning of year</b>	2	<u>193,241</u>	<u>449,175</u>
 <b>Cash and cash equivalents at end of year</b>	2	 <u><u>311,780</u></u>	 <u><u>193,241</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
for the Year Ended 31 July 2017**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
(Loss)/profit before taxation	(106,157)	29,442
Depreciation charges	122,252	123,418
Loss on disposal of fixed assets	2,025	1,450
Finance income	<u>(52)</u>	<u>(723)</u>
	18,068	153,587
(Increase)/decrease in trade and other debtors	(126,403)	129,761
Increase/(decrease) in trade and other creditors	<u>270,285</u>	<u>(442,057)</u>
<b>Cash generated from operations</b>	<u><u>161,950</u></u>	<u><u>(158,709)</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 2017**

	31/7/17	1/8/16
	£	£
Cash and cash equivalents	<u><u>311,780</u></u>	<u><u>193,241</u></u>

**Year ended 31 July 2016**

	31/7/16	1/8/15
	£	£
Cash and cash equivalents	<u><u>193,241</u></u>	<u><u>449,175</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 July 2017**

**1. STATUTORY INFORMATION**

Sysco Business Skills Academy Ltd 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. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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. The financial statements have been prepared under the historical cost convention.

**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 and meet its debts for the foreseeable future not limited to a period of 12 months from the signing of these accounts. The company therefore continues to adopt the going concern basis in preparing the financial statements.

**Significant judgements and estimates**

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:

**Depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of property improvements, fixtures and fittings, motor vehicles and computer equipment, and have concluded that the asset lives and residual values are appropriate.

**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 the business in 2006, is being amortised evenly over its estimated useful life of fifteen 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.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	- over 15 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

**Financial instruments**

The following assets and liabilities are classed as financial instruments - related party loans, trade debtors and trade creditors.

Trade debtors and trade creditors are measured at transaction price.

Other loans including related party loans are initially measured at fair value and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 July 2017**

**2. ACCOUNTING POLICIES - continued**

**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 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**

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

**3. EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	967,355	990,372
Social security costs	91,511	80,566
Other pension costs	13,386	13,318
	<u>1,072,252</u>	<u>1,084,256</u>

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

	2017	2016
Directors	1	1
Administration	<u>40</u>	<u>42</u>
	<u>41</u>	<u>43</u>

	2017	2016
	£	£
Directors' remuneration	71,270	88,349
Directors' pension contributions to money purchase schemes	<u>7,000</u>	<u>7,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 July 2017**

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2016 - operating profit) is stated after charging:

	2017	2016
	£	£
Other operating leases	1,725	3,681
Depreciation - owned assets	22,252	23,418
Loss on disposal of fixed assets	2,025	1,450
Goodwill amortisation	100,000	100,000
Auditors' remuneration	6,000	6,000
Auditors' remuneration for non-audit work	<u>17,142</u>	<u>15,476</u>

**5. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	-	24,724
Deferred tax	<u>(456)</u>	<u>2,730</u>
Tax on (loss)/profit	<u>(456)</u>	<u>27,454</u>

UK corporation tax was charged at 20% in 2016.

**Reconciliation of total tax (credit)/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:

	2017	2016
	£	£
(Loss)/profit before tax	<u>(106,157)</u>	<u>29,442</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(21,231)	5,888
Effects of:		
Expenses not deductible for tax purposes	409	1,114
Other permanent timing differences	19,828	20,452
Losses carried forward	<u>538</u>	<u>-</u>
Total tax (credit)/charge	<u>(456)</u>	<u>27,454</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 July 2017**

**6. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 August 2016 and 31 July 2017	<u>1,500,000</u>
<b>AMORTISATION</b>	
At 1 August 2016	983,333
Amortisation for year	<u>100,000</u>
At 31 July 2017	<u>1,083,333</u>
<b>NET BOOK VALUE</b>	
At 31 July 2017	<u>416,667</u>
At 31 July 2016	<u>516,667</u>

**7. TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 August 2016	30,630	88,917	27,460	143,793	290,800
Additions	-	-	-	18,739	18,739
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,181)</u>	<u>(14,181)</u>
At 31 July 2017	<u>30,630</u>	<u>88,917</u>	<u>27,460</u>	<u>148,351</u>	<u>295,358</u>
<b>DEPRECIATION</b>					
At 1 August 2016	16,334	76,420	6,865	112,758	212,377
Charge for year	2,042	3,124	5,149	11,937	22,252
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,156)</u>	<u>(12,156)</u>
At 31 July 2017	<u>18,376</u>	<u>79,544</u>	<u>12,014</u>	<u>112,539</u>	<u>222,473</u>
<b>NET BOOK VALUE</b>					
At 31 July 2017	<u>12,254</u>	<u>9,373</u>	<u>15,446</u>	<u>35,812</u>	<u>72,885</u>
At 31 July 2016	<u>14,296</u>	<u>12,497</u>	<u>20,595</u>	<u>31,035</u>	<u>78,423</u>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade debtors	44,163	57,211
Amounts owed by group undertakings	95,500	-
Other debtors	543,791	162,678
VAT	4,049	-
Prepayments and accrued income	<u>402,676</u>	<u>743,887</u>
	<u>1,090,179</u>	<u>963,776</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 July 2017**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	32,578	17,063
Amounts owed to group undertakings	231,967	62,967
Tax	-	24,724
Social security and other taxes	21,223	24,934
VAT	-	974
Other creditors	3,224	3,634
Accrued expenses	<u>357,654</u>	<u>246,789</u>
	<u>646,646</u>	<u>381,085</u>

**10. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	3,561	4,482
Between one and five years	<u>1,005</u>	<u>2,556</u>
	<u>4,566</u>	<u>7,038</u>

**11. PROVISIONS FOR LIABILITIES**

	2017	2016
	£	£
Deferred tax	9,841	10,297
Other provisions	<u>-</u>	<u>20,000</u>
	<u>9,841</u>	<u>30,297</u>

	Deferred tax £
Balance at 1 August 2016	10,297
Credit to Statement of Comprehensive Income during year	<u>(456)</u>
Balance at 31 July 2017	<u>9,841</u>

The provision included in the financial statements of £NIL (2016 - £20,000) represents estimated obligations for claims under the terms of existing service contracts.

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
250,000	Ordinary	£1	<u>250,000</u>	<u>250,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 July 2017**

**13. RESERVES**

	Retained earnings £
At 1 August 2016	1,090,725
Deficit for the year	<u>(105,701)</u>
At 31 July 2017	<u><u>985,024</u></u>

**14. ULTIMATE PARENT COMPANY**

Evolve Business Services Limited is regarded by the directors as being the company's ultimate parent company.

**15. ULTIMATE CONTROLLING PARTY**

By virtue of their shareholdings in the ultimate parent company, Evolve Business Services Limited, the Donaldson family control the company.