

AoC Sport Limited

**Directors' report
and
financial statements
for the year ended
31 March 2018**

Registered number: 09075499

Contents

Directors and Advisers	2
Directors' Report	3-6
Statement of Directors' Responsibilities	7
Report of the Independent Auditor to the Members of AoC Sport Ltd.	8-10
Statement of Income and Retained Earnings	11
Statement of Financial Position	12
Statement of Cashflows	13
Notes	14-23

Directors and Advisers

Directors

The directors of the company, all of whom have been directors for the whole of the year up to the date of this report unless otherwise indicated, are listed below.

Non-Executive Directors

C Bird
J Bolan
J Dawson – resigned 6 December 2017
K Dobson
A Fau-Goodwin – resigned 1 September 2017
S Frampton – appointed 4 July 2017
K Hamblin
K Jacob
K Webb – appointed 6 December 2017
M White

Executive Directors

P J Brophy
D Hughes
M Kingwell

Secretary

J Edwards

Registered Office

2 – 5 Stedham Place
London
WC1A 1HU

Statutory Auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Solicitors

Eversheds Sutherland
1 Wood Street
London
EC2V 7WS

Bankers

Barclays Bank PLC
28th Floor
1 Churchill Place
London E14 5HP

Internal Auditor

Mazars LLP
Regency House
3 Grosvenor Square
Southampton
SO15 2BE

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 2018.

Background

AoC Sport Ltd was created from the merger of British Colleges Sport (BCS), English Colleges FA Ltd and the Sport Policy team from Association of Colleges (AoC). It was incorporated on 6 June 2014 and commenced trading on 1 August 2014. The company is a wholly-owned subsidiary of AoC. It is a non-profit distributing company with a membership of FE and sixth form colleges.

Vision, belief and purpose

AoC Sport is the lead organisation for college sport and physical activity. Our vision is that every college student participates regularly in sport or physical activity. This vision is underpinned by the belief that sport and physical activity are essential components of college life, giving students significant advantages in education, employment and health.

We use sport and activity to:

- Provide quality educational outcomes for college students
- Boost employability skills and support the local economy
- Improve health outcomes for students, staff and wider college communities

Our purpose is:

- To promote college sport and physical activity: we champion the education, employment and health benefits of participation in sport or physical activity
- To support college sport and physical activity: we are the trusted voice for college sport and physical activity, driving improvement, attracting funding for the sector and shaping the further education sporting landscape
- To deliver college sport and physical activity: we design and deliver competitions, activities and advice that meet the needs of students, member colleges and external agencies

Business priorities for 2017/18

2017/18 has been the third full year of operation for AoC Sport. The priorities for the year have been:

- Delivering a high quality core service to our member colleges and maintaining our membership
- Focusing on contractual obligations and expectations of the prime funders (members, Sport England, the FA and AoC)
- Positioning AoC Sport to secure continued funding from Sport England and the FA.
- Growing non-grant sources of income from competitions, affiliates and commercial relationships

Directors' Report *(continued)*

- Strengthening relationships with major organisations in the sport and physical activity sector: CIMSPA, ukactive, national governing bodies of sport, Sport Leaders UK, StreetGames, the County Sports Partnership Network and BUCS
- Implementing the priorities in the three-year organisation strategy

Principal activities

The principal activities of the company are:

- Corporate governance and business development
- Sport and activity development
- Policy and curriculum development, including research, communications, training, information, advocacy, profile and increasing investment
- Football development
- Competitions

Corporate governance and business development

We continue to make good progress with governance. The board is functioning well and directors have a high level of skill, experience and commitment. We have made excellent progress against the Tier 3 standard of the UK Code for Sports Governance and are almost fully compliant. An action plan is in place to deal with the few remaining points. The diversity of the board is improving, with 33% female representation and the first step taken to more ethnic diversity.

Mark White DL OBE continues to chair the board, ably supported by vice-chair Karen Dobson who is the chief executive and principal of Newcastle and Stafford Colleges Group.

During the course of 2017/18, we gained two new members but had ten withdrawals. This, coupled with the number of mergers, takes the current number of English colleges to 226. In addition, we have seven colleges from Wales. The funding and political climate continues to be challenging for colleges so the aim for 2018/19 is to retain membership numbers at current levels.

We secured £434,000 of grant funding from Sport England to deliver its strategy, Towards an Active Nation, in colleges.

Commercial income remains at a low level but we have entered into a long-term commercial relationship with a sports kit supplier.

Sport and activity development

The focus of our sport and activity development has shifted to working with the most inactive students in colleges, in line with the Sport England strategy. In the first year of the new funding regime, we have developed and are delivering ten development projects which are focusing on girls; disabled students; black, Asian and minority ethnic students; LGBTQ students; students from lower socio-economic groups; and volunteers.

Directors' Report *(continued)*

We are working with a smaller number of national governing bodies of sport as most do not have the capacity to focus on the further education sector.

Football development

Our football development work, funded by The Football Association (FA), continues to have a significant impact in the FE sector. Further investment has been received from the FA to fund 93 College Grassroots Hubs to facilitate and deliver activity, with the overarching aim of engaging 100 participants (30% female, 10% disability and 10% Black, Asian and Minority Ethnic (BAME) groups) from each college and its local community in regular football activity. After a successful pilot year, the AoC Sport Women & Girls' Football Apprentice Programme has been rolled out to involve 18 colleges, 17 apprentices and four interns. The project aims to create a workforce solution to driving participation in girls' and women's football both in the FE colleges and their local community, with a specific aim to increase the number of BAME participants.

Policy and curriculum development

Highlights include:

- The Sport in the Curriculum Conference, January 2018
- Delivering 'mental health first aid' training, enabling college staff to be mental health first aiders within their colleges
- Delivering Regional Network meetings for Heads of Sport
- Responding to a range of consultations, including occupational maps and T Levels
- Engaging with Sport and Leisure Employer's Professional Development Board.

Competitions

AoC Sport is delivering a full range of leagues, cups, tournaments and championships, including:

- Nine regional tournaments featuring 13 sports and attracting 10,000 competitors
- National championships delivered in partnership with the University of Nottingham for the second year running
- League competitions for seven sports – badminton, basketball, football, rugby union, rugby league, hockey and netball
- 13 cup competitions
- Numerous one-off events and single sport tournaments
- An expanded programme of local development opportunities – informal competitive sport between colleges, in response to local demand

Directors' Report *(continued)*

Concluding remarks

AoC Sport has a clear vision and staff structure which reflect the strategy. The Board is working well and the governance will soon achieve the highest tier of the UK Code for Sports Governance. The Company has returned a surplus despite planning for a break-even position and is building up its reserves. The Company's profile and reputation is growing in the sporting and college community but there is more work to do in increasing its profile outside of those sectors, particularly in the commercial sector.

The Board reports the Company outturn for the financial year ending 31 March 2018, which is a surplus of £51,122 before tax.

Statement as to Disclosure of Information to Auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

RSM UK Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.



Marcus Kingwell
Director
3 July 2018

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 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the AoC Sport website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members Of AoC Sport Limited

Opinion

We have audited the financial statements of AoC Sport Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and 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 FRS 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 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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 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.



PAUL OXTOBY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date 21 September 2018

Statement of Income and Retained Earnings
for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		1,547,704	1,774,063
Cost of sales		<u>(761,925)</u>	<u>(1,011,798)</u>
Gross profit		785,779	762,265
Admin expenditure		<u>(735,179)</u>	<u>(722,540)</u>
Operating profit		50,600	39,725
Interest receivable	4	<u>522</u>	<u>648</u>
Profit on ordinary activities before taxation		51,122	40,373
Taxation	6	<u>990</u>	<u>(4,715)</u>
Profit for the financial year	10	52,112	35,658
Retained earnings at 1 April		63,723	28,065
Retained earnings at 31 March		<u>115,835</u>	<u>63,723</u>

Statement of Financial Position
as at 31 March 2018

	Notes	2018	2018	2017	2017
		£	£	£	£
<u>Fixed assets</u>					
Tangible fixed assets	5		-		1,474
<u>Current assets</u>					
Debtors	7	332,036		70,363	
Cash at bank		<u>404,199</u>		<u>525,497</u>	
		736,235		595,860	
<u>Current Liabilities</u>					
Creditors: amount falling due within one year	8	<u>(620,400)</u>		<u>(533,611)</u>	
Net current assets			115,835		62,249
Net assets			<u>115,835</u>		<u>63,723</u>
Capital and reserves					
Profit and loss account	10		115,835		63,723
Shareholder's funds			<u>115,835</u>		<u>63,723</u>

Company Registration Number: 09075499.

The accounts have been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

The financial statements on pages 11 to 23 were approved and authorised for issue by the Board of Directors on 3 July 2018 and were signed on its behalf by:

M White
Chair
10 July 2018



The Association of Colleges have the power to amend the financial statements after issue.

Statement of Cashflows
for the year ended 31 March 2018

	Note	2018 £	2017 £
Operating activities			
Cash generated from operations	12	(117,537)	39,880
Taxation paid		(4,283)	<u>(3,867)</u>
Net cash (used in)/from operating activities		<u>(121,820)</u>	<u>36,013</u>
Investing activities			
Interest received		<u>522</u>	<u>648</u>
Net cash from Investing activities		<u>522</u>	<u>648</u>
Net increase in cash and cash equivalents		(121,298)	36,661
Cash & cash equivalents at beginning of year		<u>525,497</u>	<u>488,836</u>
Cash & cash equivalents at end of year		<u>404,199</u>	<u>525,497</u>
Relating to:-			
Bank balances and short term deposits included in cash at bank and in hand		<u>404,199</u>	<u>525,497</u>

Notes *(forming part of the financial statements)*

1. Accounting policies

General Information

AoC Sport is a limited company by guarantee domiciled and incorporated in England, registered number: 09075499. The address of the Company's registered office is 2 – 5 Stedham Place, London, WC1A 1HU.

AoC Sport Limited is a wholly-owned subsidiary of Association of Colleges (AoC) and its principle activities are disclosed in the Director's Report.

Basis of Preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention.

The Company meets the definition of a public benefit entity under FRS 102. Monetary amounts in these financial statements are rounded to the nearest whole pound.

Consolidated Financial Statements

The financial statements of the Company are consolidated in the financial statements of Association of Colleges. The consolidated financial statements of Association of Colleges are available from its registered office, 2 – 5 Stedham Place, London, WC1A 1HU.

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

Functional and Presentational Currencies

The financial statements are presented in sterling which is also the functional currency of the Company.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for provision of services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Income received for events relating to subsequent accounting periods is deferred. When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Notes (continued)

Other Income

Income from government grants is recognised when the associated performance conditions are met and is presented within other operating income.

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost by equal instalments over their estimated useful economic lives as follows:

- Office equipment: 4 years [25% per annum]

The Company's policy is to charge the full year's depreciation in the year of acquisition and charge no depreciation in the year of disposal.

Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Notes *(continued)*

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Operating Lease

Rental costs arising under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Pension Scheme Arrangements

AoC Sport Ltd offers a defined contribution scheme with the Pensions Trust called the Flexible Retirement Scheme. On commencement of employment, employees become members of the pension scheme and AoC Sport Ltd makes contributions on their behalf.

Going Concern

The company will be able to meet its obligations in full for the next 12 months from the date of signing the accounts and no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The Board has reviewed and approved a three-year budget together with a twelve-month cash flow forecast. The Board receives monthly management accounts with cash flow forecasts for AoC Sport.

Notes (continued)

Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade Debtors: Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial Liabilities

Trade Creditors: Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition Of Financial Assets and Liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Reserves

Reserves in the company represent retained earnings, which is the cumulative profit and loss net of distributions to owners.

Critical Accounting Estimates and Areas of Judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, there were no judgements made that have a significant effect on the amounts recognised in the financial statements nor any key assumptions or estimates made which might cause a material adjustment.

Notes (continued)

2. Remuneration of directors

None of the directors received emoluments in respect of their role at AoC Sport Ltd. However, two (2017: three) of the directors were also employees of the parent company, Association of Colleges, and received the following payments for that employment.

	2018	2017
	£	£
Other emoluments for all directors (including pension contributions and benefits in kind)	283,434	294,987
Amounts paid to the highest paid director	167,500	113,978
Pension costs for this individual	23,410	19,034

3. Staff numbers and costs

The average number of persons employed by the parent company (AoC) undertaking work on behalf of AoC Sport Ltd, and recharged during the year, was as follows:

	2018	2017
Sales	4	5
Administration (includes operational staff)	<u>21</u>	<u>19</u>
Total	<u>25</u>	<u>24</u>

The aggregate payroll costs of these persons were as follows:

Wages and salaries	619,690	648,456
Social security costs	71,488	74,585
Pension costs	<u>53,248</u>	<u>54,767</u>
Total	<u>744,426</u>	<u>777,808</u>

4. Other interest receivable and similar income

	2018	2017
	£	£
Bank interest receivable	<u>522</u>	<u>648</u>

Notes (continued)

5. Tangible fixed assets

	£
Cost	
At 1 April 2017	5,896
Additions	-
At 31 March 2018	<u>5,896</u>
Depreciation	
At 1 April 2017	4,422
Charges for the year	<u>1,474</u>
At 31 March 2018	<u>5,896</u>
Net book value	
As at 31 March 2017	1,474
As at 31 March 2018	=

6. Tax on profit on ordinary activities

	2018	2017
	£	£
Current tax		
UK corporation tax at 19% (PY: 20%)	1,277	6,551
Adjustments in respect of prior periods	<u>(2,267)</u>	<u>(1,836)</u>
Total current tax charge/(credit)	<u>(990)</u>	<u>4,715</u>
Deferred tax		
Origination and reversal of timing differences	=	=
Tax on profit on ordinary activities	<u>(990)</u>	<u>4,715</u>

	2018	2017
	£	£
Reconciliation of tax charge		
Profit on ordinary activities before tax	51,122	40,373
Tax on profit on ordinary activities at standard CT rate of 19% (PY: 20%)	9,713	8,075
Expenses not deductible for tax purposes	284,450	346,868
Income not taxable for tax purposes	(292,886)	(348,392)
Adjustments to tax charge in respect of previous periods	(2,267)	(1,836)
Current tax charge for the period	<u>(990)</u>	<u>4,715</u>

Notes (continued)

7. Debtors: amounts falling due within one year

	2018	2017
	£	£
Trade debtors	147,565	47,154
Prepayments	24,056	19,047
Other debtors		4,162
	983	
Accrued income	<u>159,432</u>	-
	<u>332,036</u>	<u>70,363</u>

8. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	40,939	38,984
Other taxation and social security	16,557	16,544
Amounts owed to group undertakings	30,753	36,319
Corporation tax	1,277	6,551
Deferred income	455,101	421,466
Accruals	3,858	12,927
Other creditors	<u>71,915</u>	<u>820</u>
	<u>620,400</u>	<u>533,611</u>

9. Financial instruments

The carrying amount of company's financial instruments at 31 March were:

	2018	2017
	£	£
Financial assets:		
• Debt instruments measured at amortised cost	<u>306,997</u>	<u>47,154</u>
Total	<u>306,997</u>	<u>47,154</u>
Financial liabilities:		
• Measured at amortised cost	<u>147,465</u>	<u>89,000</u>
Total	<u>147,465</u>	<u>89,000</u>

10. Profit and loss account and shareholders' funds

	2018	2017
	£	£
As at 1 April	63,723	28,065
Profit for year	<u>52,112</u>	<u>35,658</u>
Total shareholder's funds at 31 March	<u>115,835</u>	<u>63,723</u>

Notes (continued)

11. Operating profit

	2018	2017
	£	£
<i>Profit is stated after charging:</i>		
Auditor's remuneration	3,500	3,500
Depreciation	1,474	1,474
Operating lease costs (rent expense)	<u>12,576</u>	<u>11,840</u>

12. Reconciliation of profit after tax to net cash generated from/(used in) operations

	2018	2017
	£	£
Profit after tax	52,112	35,658
Adjustments for:		
Depreciation of tangible fixed assets	1,474	1,474
Taxation	(990)	4,715
Interest receivable	<u>(522)</u>	<u>(648)</u>
Operating cash flows before movements in working capital	52,074	41,199
(Increase)/decrease in trade and other debtors	(261,673)	151,698
Increase/(decrease) in trade and other creditors	<u>92,062</u>	<u>(153,017)</u>
Cash generated from operations	<u>(117,537)</u>	<u>39,880</u>
Cash and cash equivalents represent:-		
Cash at bank	<u>404,199</u>	525,497

13. Related party transactions

AoC Sport is a wholly-owned subsidiary of the Association of Colleges (AoC) which is also the ultimate controlling entity. The company has taken advantage of the exemption available in FRS 102 (33.1A) whereby it has not disclosed transactions with the ultimate parent company or any wholly-owned subsidiary undertaking of the group. No guarantees have been given or received.

Set out below are other transactions for services provided by AoC Sport to the entities related to the non-executive company directors.

J Dawson – Bishop Burton College		
	2018	2017
Transactions during period	£2,715	£2,480
Nature of transactions	Membership & competition entries	Membership & competition entries
Balance outstanding at 31 March	Nil	Nil

Notes (continued)

K Dobson – Newcastle Under Lyme & Stafford College		
	2018	2017
Transactions during period	£3,931	£4,010
Nature of transactions	Membership & competition entries	Membership & competition entries
Balance outstanding at 31 March	Nil	Nil

A Fau-Goodwin – Bolton Sixth Form College		
	2018	2017
Transactions during period	£1,360	£1,000
Nature of transactions	Membership & competition entries	Membership
Balance outstanding at 31 March	Nil	Nil

K Hamblin – South Gloucestershire & Stroud College		
	2018	2017
Transactions during period	£5,015	£4,010
Nature of transactions	Membership & competition entries	Membership & competition entries
Balance outstanding at 31 March	Nil	Nil

M White – Stockton Riverside College		
	2018	2017
Transactions during period	£1,360	£1,150
Nature of transactions	Membership & competition entries	Membership & competition entries
Balance outstanding at 31 March	Nil	Nil

S Frampton – Portsmouth College		
	2018	2017
Transactions during period	£1,360	£1,360
Nature of transactions	Membership & competition entries	Membership & competition entries
Balance outstanding at 31 March	Nil	Nil

K Webb – Windsor Forest Colleges Group		
	2018	2017
Transactions during period	£1,716	£2,154
Nature of transactions	Membership & competition entries	Membership & competition entries
Balance outstanding at 31 March	Nil	Nil

Notes *(continued)*

14. Remuneration of key management personnel

The total remuneration of the Managing Director and area managers of each division, who are considered to be the key management personnel of the Company, was £187,600 (2017: £236,416).

15. Ultimate parent company and ultimate controlling party

The directors consider the ultimate parent undertaking to be Association of Colleges, a company incorporated in the United Kingdom.

Association of Colleges is the immediate parent, and is the smallest and largest company for which consolidated accounts including AoC Sport Limited are prepared. The consolidated accounts of Association of Colleges are available from its registered office at 2-5 Stedham Place, London, WC1A 1HU.