

AoC Sport Limited

**Directors' report
and
financial statements
for the year ended
31 March 2019**

Registered number: 09075499

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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
K Dobson (Vice Chair)
S Frampton
K Hamblin
K Jacob
P Rai – appointed 17 April 2018
K Webb
M White (Chair)

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 2019.

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 2018/19

2018/19 has been the fourth 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 Football Association and AoC)
- Securing continued funding from Sport England and the FA
- Growing non-grant sources of income from competitions 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, Active Partnerships, Youth Sport Trust and BUCS
- Preparing a new three-year business plan for 2019-2021

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 achieved full compliance with the Tier 3 standard of the UK Code for Sports Governance which is a significant milestone. Further work is needed to improve the diversity of the board so the board has committed to Investors in Diversity and Activity Alliance's programme, Leading Equitable and Accessible Delivery (LEAD).

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 2018/19, we gained three new members but had seven withdrawals. The current number of English college members is 213 which is 85% of all colleges. In addition, we have seven colleges from Wales. The funding and political climate continues to be challenging for colleges so the aim for 2019/20 is to retain membership numbers at current levels.

We secured £860,000 of grant funding from Sport England to deliver its strategy, Towards an Active Nation, in colleges over the next two academic years. This is a significant achievement and follows a successful first year of funding for 10 pilot projects.

Commercial income is increasing, with a range of new partnerships including a fitness equipment supplier, two technology providers and employers keen to recruit from colleges.

The management structure has been simplified, with the four managers reporting directly to the Managing Director as part of a single management team. The management team has committed to achieving Quest, the quality standard for the sport and physical activity industry, and undertook an informal assessment in August 2018.

Directors' Report (*continued*)

Sport and activity development

Our sport development work, funded by Sport England, continues to focus on the less active students in colleges. We are now in the second year of this work and we are delivering interventions focused on specific groups: girls (ambassadors and mass participation events); students from lower socio-economic groups; student volunteers as part of the AoC Sport Leadership Academy; and disabled students. The disability work has been particularly strong following the publication of our disability sport strategy in June 2018 and the recruitment of a new officer in the autumn.

Unfortunately many national governing bodies of sport do not have the resources to focus on the FE sector. However, we continue to work closely with The FA, the Rugby Football Union and the Lawn Tennis Association amongst others.

Football development

Our football development work, funded by The FA, continues to have a significant impact in the FE sector. Further investment has been received from the FA to fund 100 College Grassroots Hubs to facilitate and deliver activity, with the overarching aim of engaging c.49,000 participants (30% female, 10% disability and 10% Black, Asian and Minority Ethnic (BAME) groups) from across the colleges' student population and its local community in regular football activity. This year, we have extended the programme to include 24 College 'Super Hubs' who are targeted to deliver innovation projects and have greater reach and impact within their colleges and communities. The AoC Sport Women & Girls' Football Apprentice Programme has been extended to involve 20 apprentices and AoC Sport staff have provided additional training and support. 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 2019
- Extending our 'mental health first aid' training, enabling college staff to be mental health first aiders within their colleges
- Improving the format and attendance at Regional Network meetings for Heads of Sport
- Responding to a range of consultations, including Ofsted and CIMPSA Workforce Registration Consultation
- Engaging with Sport and Leisure Employer's Professional Development Board
- Gathered insight from 3,661 students on their relationship with sport and physical activity
- Produced mental health report showcasing the impact of sport and physical activity on students' mental health.

Directors' Report (*continued*)

Competitions

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

- Nine regional tournaments featuring 13 sports and attracting 7,500 competitors
- National championships delivered in partnership with the University of Nottingham for the second year running
- League competitions for eight sports – badminton, basketball, football, rugby union, rugby league, hockey and netball, plus a new futsal competition
- 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.

Concluding remarks

AoC Sport has a clear vision and staff structure which reflect the strategy. The Board is working well and its governance has achieved 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 2019, which is a surplus of £51,683 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.



P J Brophy
Director
14 August 2019

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 2019 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 2019 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.

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.

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

13 September 2019

Statement of Income and Retained Earnings
for the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover		1,717,419	1,547,704
Cost of sales		<u>(951,087)</u>	<u>(761,925)</u>
Gross profit		766,332	785,779
Admin expenditure		<u>(716,425)</u>	<u>(735,179)</u>
Operating profit		49,907	50,600
Interest receivable	4	<u>1,776</u>	<u>522</u>
Profit on ordinary activities before taxation	5	51,683	51,122
Taxation	6	<u>(1,579)</u>	<u>990</u>
Profit for the financial year	11	50,104	52,112
Retained earnings at 1 April		115,835	63,723
Retained earnings at 31 March		<u>165,939</u>	<u>115,835</u>

Statement of Financial Position
as at 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
<u>Fixed assets</u>					
Tangible fixed assets	7		3,146		-
<u>Current assets</u>					
Debtors	8	432,334		332,036	
Cash at bank		<u>263,923</u>		<u>404,199</u>	
		696,257		736,235	
<u>Current Liabilities</u>					
Creditors: amount falling due within one year	9	<u>(533,464)</u>		<u>(620,400)</u>	
Net current assets			162,793		115,835
Net assets			<u>165,939</u>		<u>115,835</u>
Capital and reserves					
Profit and loss account	11		165,939		115,835
Shareholder's funds			165,939		115,835

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 22 were approved and authorised for issue by the Board of Directors on 25 June 2019 and were signed on its behalf by:



M White
Chair
14 August 2019

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

Statement of Cashflows
for the year ended 31 March 2019

	Note	2019 £	2018 £
Operating activities			
Cash generated from operations	12	(136,580)	(117,537)
Taxation paid		<u>(1,277)</u>	<u>(4,283)</u>
Net cash (used in)/from operating activities		<u>(137,857)</u>	<u>(121,820)</u>
Investing activities			
Interest received		1,776	522
Purchase of tangible fixed assets		<u>(4,195)</u>	-
Net cash from Investing activities		<u>(2,419)</u>	<u>522</u>
Net decrease in cash and cash equivalents		(140,276)	(121,298)
Cash & cash equivalents at beginning of year		<u>404,199</u>	<u>525,497</u>
Cash & cash equivalents at end of year		<u>263,923</u>	<u>404,199</u>
Relating to:-			
Bank balances and short term deposits included in cash at bank and in hand		<u>263,923</u>	<u>404,199</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)

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.

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.

Notes (continued)

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.

2. Remuneration of directors

None of the directors received emoluments in respect of their role at AoC Sport Ltd. However, two (2018: two) of the directors were also employees of the parent company, Association of Colleges, and received the following payments for that employment.

	2019	2018
	£	£
Other emoluments for all directors (including pension contributions and benefits in kind)	289,588	283,434
Amounts paid to the highest paid director	167,500	167,500
Pension costs for this individual	20,150	23,410

Notes (continued)

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:

	2019	2018
Sales	5	4
Administration (includes operational staff)	<u>19</u>	<u>21</u>
Total	<u>24</u>	<u>25</u>

The aggregate payroll costs of these persons were as follows:

Wages and salaries	637,881	619,690
Social security costs	73,663	71,488
Pension costs	<u>56,683</u>	<u>53,248</u>
Total	<u>768,227</u>	<u>744,426</u>

4. Other interest receivable and similar income

	2019	2018
	£	£
Bank interest receivable	1,776	522

5. Profit on ordinary activities before taxation

	2019	2018
	£	£
<i>Profit on ordinary activities before taxation is stated after charging:-</i>		
Depreciation on tangible fixed assets	1,049	1,474
Operating lease costs (rent expense)	12,576	12,576

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2019	2018
	£	£
Audit services – statutory audit of the company	3,500	3,500
All other non-audit services	3,100	1,250

Notes (continued)

6. Tax on profit on ordinary activities

	2019	2018
	£	£
<i>Current tax</i>		
UK corporation tax at 19% (PY: 19%)	1,579	1,277
Adjustments in respect of prior periods	-	<u>(2,267)</u>
Total current tax charge/(credit)	<u>1,579</u>	<u>(990)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>1,579</u>	<u>(990)</u>
	2019	2018
	£	£
<i>Reconciliation of tax charge</i>		
Profit on ordinary activities before tax	51,683	51,122
Tax on profit on ordinary activities at standard CT rate of 19% (PY: 19%)	9,820	9,713
Fixed asset differences	200	-
Expenses not deductible for tax purposes	316,628	284,450
Income not taxable for tax purposes	(325,069)	(292,886)
Adjustments to tax charge in respect of previous periods	-	<u>(2,267)</u>
Current tax charge for the period	<u>1,579</u>	<u>(990)</u>

7. Tangible fixed assets (office equipment)

<u>Cost</u>	£
At 1 April 2018	5,896
Additions	<u>4,195</u>
<i>At 31 March 2019</i>	<u>10,091</u>
<u>Depreciation</u>	
At 1 April 2018	5,896
Charges for the year	<u>1,049</u>
<i>At 31 March 2019</i>	<u>6,945</u>
<u>Net book value</u>	
<i>As at 31 March 2018</i>	-
<i>As at 31 March 2019</i>	<u>3,146</u>

Notes (continued)

8. Debtors: amounts falling due within one year

	2019	2018
	£	£
Trade debtors	231,752	147,565
Prepayments	17,614	24,056
Amounts owed from group undertakings	129,135	-
Other debtors	51,501	983
Accrued income	<u>2,332</u>	<u>159,432</u>
	<u>432,334</u>	<u>332,036</u>

9. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	35,354	40,939
Other taxation and social security	17,659	16,557
Amounts owed to group undertakings	-	30,753
Corporation tax	1,579	1,277
Deferred income	474,492	455,101
Accruals	3,500	3,858
Other creditors	<u>880</u>	<u>71,915</u>
	<u>533,464</u>	<u>620,400</u>

AoC Sport Ltd. is party to a group VAT registration with other companies in the group, of which it is a member. At 31 March 2019, the amount due under this arrangement in respect of the group was £141,190 (2018 £161,543)

10. Financial instruments

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

	2019	2018
	£	£
Financial assets:		
• Debt instruments measured at amortised cost	<u>414,721</u>	<u>306,997</u>
Total	<u>414,721</u>	<u>306,997</u>
Financial liabilities:		
• Measured at amortised cost	<u>39,734</u>	<u>147,465</u>
Total	<u>39,734</u>	<u>147,465</u>

Notes (continued)

11. Profit and loss account and shareholders' funds

	2019	2018
	£	£
As at 1 April	115,835	63,723
Profit for year	<u>50,104</u>	<u>52,112</u>
Total shareholder's funds at 31 March	<u>165,939</u>	<u>115,835</u>

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

	2019	2018
	£	£
Profit after tax	50,104	52,112
Adjustments for:		
Depreciation of tangible fixed assets	1,049	1,474
Taxation	1,579	(990)
Interest receivable	<u>(1,776)</u>	<u>(522)</u>
Operating cash flows before movements in working capital	50,956	52,074
(Increase)/decrease in trade and other debtors	<u>(100,298)</u>	(261,673)
Increase/(decrease) in trade and other creditors	<u>(87,238)</u>	<u>92,062</u>
Cash generated from operations	<u>(136,580)</u>	<u>(117,537)</u>
Cash and cash equivalents represent:-		
Cash at bank	<u>263,923</u>	<u>404,199</u>

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.

K Dobson – Newcastle Under Lyme & Stafford College		
	2019	2018
Transactions during period	£4,195	£3,931
Nature of transactions: Membership & competition entries		
Balance outstanding at year-end	Nil	Nil

Notes (continued)

S Frampton – Portsmouth College		
	2019	2018
Transactions during period	£1,360	£1,360
Nature of transactions: Membership & competition entries		
Balance outstanding at year-end	Nil	Nil

K Hamblin – South Gloucestershire & Stroud College		
	2019	2018
Transactions during period	£3,762	£5,015
Nature of transactions: Membership & competition entries		
Balance outstanding at year-end	Nil	Nil

K Webb – Windsor Forest Colleges Group		
	2019	2018
Transactions during period	£1,493	£1,716
Nature of transactions: Membership & competition entries		
Balance outstanding at year-end	Nil	Nil

M White – Stockton Riverside College		
	2019	2018
Transactions during period	£1,549	£1,360
Nature of transactions: Membership & competition entries		
Balance outstanding at year end	Nil	Nil

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 £226,174 (2018: £187,600).

15. Ultimate parent company and ultimate controlling party

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

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.