

**Prospect
Educational
and Public
Services
Limited**

**Annual Report and
Financial Statements**

31 August 2023

Company Registration Number 02559059
(England and Wales)

Reference and administrative information

Directors	A E Entwistle D G Mitchell Dr R D B Whitcutt
Secretary	R J Perry
Registered office	100 West Hill Wandsworth London SW15 2UT
Registered number	02559059 (England and Wales)
Auditor	Buzzacott 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc 153 Putney High Street Putney London SW15 1RX

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Directors' report Year to 31 August 2023

The directors present their report with the financial statements of Prospect Educational and Public Services Limited ('the company') (Company registration number 02559059) for the year ended 31 August 2023.

The company is a wholly owned subsidiary of Prospect Education (Technology) Trust Limited, an exempt charity and a company limited by guarantee, incorporated in England and Wales (company number 02484729).

Principal activity

The principal activity of the company is to provide private lettings to the public as well as the sale of uniforms to students of Ashcroft Technology Academy ('the Academy'). The company also accommodates the trading arrangements for staff cash catering sales from within the Academy restaurant. The lettings provision includes the use of conference, classroom and gymnasium facilities on site at the Academy and use of its remote sports ground at Openview in Earlsfield.

Review of business

The attached statement of income and retained earnings shows the income and expenditure for the year.

The company's financial position at 31 August 2023 is shown in the attached statement of financial position.

Turnover for the year was £295,886 (2022 – £252,798), an increase of £43,088 (17%) on the previous year, the increase being entirely due to increased letting at Openview sportsground.

The company's profit margin for the year was 33% (2022 – 39%), reflecting that almost all running costs at Openview were now met directly by the company instead of being split between the company and Academy Trust. This led to an increase in recharged costs of £47,000, previously forming part of the year-end surplus. This still enabled a charitable donation to be made to the Academy of £97,000 (2022 – £99,700) at the year-end.

Future developments

The long-term provision at Openview sports ground has now been established by the company enhancing its relationship with The Spencer Club, although closely monitored by the Academy Trust. This has resulted in opening up the lettings at Openview to a larger group of private schools that are interested in using the facilities. The Spencer Club manage all bookings directly with the schools and third parties.

Use of Openview sports ground by Ashcroft students is now significantly limited to occasional use for sports fixtures and as a result 95% of all running costs are now charged directly to the company. Lettings at the West Hill site continue to generate around £50,000 per year having now returned to pre-COVID levels, but presently generates less than a third of the letting income from Openview.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors in office during the year were as follows:

A E Entwistle
D G Mitchell
Dr R D B Whitcutt

No director had a beneficial interest in the share capital of the company or any other group company. None of the directors received any remuneration in respect of their duties as directors during the year (2022 – none), nor were any expenses reimbursed to the directors in the year (2022 – none).

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), including Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland as applicable to smaller entities. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

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 of directors' responsibilities (continued)

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ◆ the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Charitable donations

The company is pleased to be able to make a charitable donation under Gift Aid of £97,000 in respect of the 2022-23 financial year (2022 – £99,700) to its parent undertaking, Prospect Education (Technology) Trust Limited.

Signed on behalf of the directors:



Director

D G Mitchell

Approved by the directors on: 20 December 2023

Company Registration Number 02559059 (England and Wales)

Independent auditor's report to the member of Prospect Educational and Public Services Limited

Opinion

We have audited the financial statements of Prospect Educational and Public Services Limited (the 'company') for the year ended 31 August 2023 which comprise the statement of income and retained earnings, the statement of financial position, principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the company's affairs as at 31 August 2023 and of its profit for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the company through discussions with management, and from our knowledge of the sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the reporting framework the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 Section 1A) and the Companies Act 2006;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we considered the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the reporting framework the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 Section 1A) and the Companies Act 2006;
- ◆ we understood how the company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of directors' meetings and papers provided to the director.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 December 2023

Statement of income and retained earnings Year to 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Turnover	1		295,886		252,798
Cost of sales			(70,229)		(73,147)
Gross profit			225,657		179,651
Administrative expenses		128,433		78,756	
Other operating charges		—		1,185	
			(128,433)		(79,941)
Profit on ordinary activities before taxation	2		97,224		99,710
Interest receivable			46		2
Profit on ordinary activities before taxation and charitable donation			97,270		99,712
Taxation	4		—		—
Charitable donation under Gift Aid to the ultimate holding company			(97,000)		(99,700)
Profit for the year			270		12
Retained profit at 1 September 2022			526		514
Retained profit at 31 August 2023			796		526

All of the company's activities derived from continuing operations during the above two financial periods.

The company has no recognised gains or losses other than those included in the above results.

Statement of financial position 31 August 2023

	Notes	2023 £	2022 £
Current assets			
Uniform stock		72,173	67,504
Debtors	5	73,805	75,658
Cash at bank and in hand		138,001	77,653
		<u>283,979</u>	<u>220,816</u>
Creditors: amounts falling due within one year			
	6	283,181	(220,288)
		<u>798</u>	<u>528</u>
Net assets			
Capital and reserves			
Equity interests:			
Called up share capital	7	2	2
Profit and loss account		796	526
Shareholder's funds	8	<u>798</u>	<u>528</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with the respect to accounting records and the preparation of the financial statements.

Signed on behalf of the directors by:



Director

D G Mitchell

Approved by the directors on: 20 December 2023

Company Registration Number 02559059 (England and Wales)

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) Section 1A – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland as applicable to smaller entities, and with the Companies Act 2006. The financial statements are prepared under the historical cost convention.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the directors to make significant judgements and estimates. In the case of the company the areas affected by judgement and estimation are the estimation and recognition of accrued expenditure and any management charge.

There are no key assumptions or areas of uncertainty where there is a significant risk of a material adjustment to the carrying value of the assets and liabilities of the company being required during the financial year ended 31 August 2023.

Going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors of the company have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due.

Statement of cash flows

The financial statements do not include a statement of cash flows because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Section 1A of FRS 102.

Turnover

Turnover consists of goods and services at invoiced value excluding VAT. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. It is measured at fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. Turnover is derived solely from within the United Kingdom.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Expenditure comprises the direct costs associated with the delivery of the company's principal activities as well as general administrative support costs.

Stocks

Stocks are valued at the lower of cost or net realisable market value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Creditors and provisions are recognised at the amount the company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1 Turnover

Turnover and the result before taxation arise solely from the company's principal activities.

Analysis of turnover:	2023 £	2022 £
Hire of facilities	238,807	193,306
Uniform sales	33,921	33,951
Catering sales	23,158	25,461
Printing	—	80
	<u>295,886</u>	<u>252,798</u>

2 Operating profit

	2023 £	2022 £
This is stated after charging:		
Staff costs	27,851	24,835
Auditor's remuneration		
. Audit fees	3,620	3,290
. Other services	2,130	1,935

The company has no full-time employees (2022 – none) but used caretaking and cleaning staff employed by Prospect Education (Technology) Trust Limited as well as some administration services provided by the staff at the Spencer Club, who are the leaseholders and operators of the adjoining sports ground.

3 Directors' emoluments

None of the directors received any emoluments in respect of their services as directors during the year (2022 – none).

4 Taxation

There is no charge for Corporation Tax as the company has made a charitable donation to its ultimate holding company under Gift Aid (2022 – £nil).

5 Debtors

	2023 £	2022 £
Trade debtors	45,986	43,575
Other debtors	2	2
Amounts owed by parent undertaking (note 9)	27,817	31,460
Value Added Tax recoverable	—	621
	<u>73,805</u>	<u>75,658</u>

6 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to parent undertaking (note 9)	260,420	211,206
VAT payable	780	—
Trade creditors	5,928	—
Accruals	16,053	9,082
	283,181	220,288

7 Called up share capital

	2023 £	2022 £
Allotted, called up and fully paid ordinary shares of £1 each	2	2

8 Reconciliation of movements in shareholder's funds

	2023 £	2022 £
Equity funds		
Profit for the financial year after taxation	270	12
Opening shareholder's funds at 1 September 2022	528	516
Closing shareholder's funds at 31 August 2023	798	528

9 Ultimate holding company and control

Prospect Education (Technology) Trust Limited, an exempt charity and a company limited by guarantee and incorporated in England and Wales (company number 02484729), is the ultimate holding company. Its registered office is 100 West Hill, Wandsworth, London SW15 2UT.

10 Related party transactions

The transactions and year-end balance with the holding company were as follows:

	2023 £	2022 £
Charitable donation payable	97,000	99,700
Debtors (note 5)	73,805	31,460
Creditors (note 6)	260,420	211,206

Detailed profit and loss account for the year ended 31 August 2023

This page does not form part of the audited financial statements.

	2023 £	2023 £	2022 £	2022 £
Turnover		295,886		252,798
Cost of sales				
Staff costs	27,851		24,835	
Uniforms	26,939		31,207	
Printing costs	—		131	
Catering	15,439		16,974	
		(70,229)		(73,147)
Gross profit		225,657		179,651
Administration				
Audit fees	3,620		3,290	
Tax compliance fees	2,130		1,935	
Other expenses	122,683		74,716	
		(128,433)		(79,941)
Operating profit		97,224		99,710
Bank interest		46		2
Profit before donation		97,270		99,712
Donation to parent undertaking		(97,000)		(99,700)
Net surplus for the financial year		270		12