**EOC Enterprises Limited**

# Directors' report and financial statements

Registered number 2908222

31 July 2019

# Contents

# Directors and advisers

**Directors**

G Pilcher
D Nunn
SJ Coby
JM Pendlington
JV Philips

**Company Secretary and Registered office**

Rachel Robson
Easton and Otley College
Easton
Norwich
NR9 5DX

**Statutory auditor**

KPMG LLP
Dragonfly House
2 Gilders Way
Norwich
NR3 1UB

**Solicitors**

Mills & Reeve LLP
1 St James Court
Whitefriars
Norwich
NR3 1RU

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**Bankers**

Lloyds Bank plc
3rd Floor
25 Gresham Street
London
EC2V 7HN

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2019.

**Principal activity**

The company's principal activity is operation of sports & conference centre at Easton campus, Easton & Otley College.

**Review of business and future developments**

EOC Enterprises Limited's result for the year is set out on page 5.

**Proposed dividends and transfers to reserves**

The directors do not recommend the payment of a dividend *(2018: £nil)*. The retained profit for the financial year ended 31 July 2019 of £24,000 *(2018: profit of £38,000)* will be taken to reserves.

**Post balance sheet events:**

Subject to the approval of resolutions by the relevant governing bodies the Company's parent organisation, Easton and Otley College, will dissolve on 1 January 2020. Operations at the Easton Campus will transfer on a going concern basis to City College Norwich and at the Otley Campus to Suffolk New College. All of the shares in EOC Enterprises Limited will be transferred to City College Norwich at the point of merger and existing directors will be replaced with new directors.

**Directors**

The directors of the company who held office during the year and/or up to the date of signing were as follows:

G Pilcher
D Nunn
SJ Coby
JM Pendlington
JV Philips

**Directors' interests**

No directors had any disclosable interests in company shares at 31 July 2019 or at any time in the financial year.

**Insurance of directors**

The company's parent undertaking maintains insurance for the directors in respect of their duties as directors.

**Political and charitable contributions**

The company made no political or charitable contributions during the year except as noted above.

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

*Director* 18 December 2019

## Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors believe that it is appropriate to prepare these accounts on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EOC ENTERPRISES LIMITED

**Opinion**

We have audited the financial statements of EOC Enterprises Limited ("the company") for the year ended 31 July 2019 which comprise the Profit and Loss Account and other comprehensive income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardized firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

**Material uncertainty related to going concern**

We draw attention to note 1 to the financial statements which indicates that EOC Enterprises has net current assets of £72k and made a profit in the year of £24k, but is reliant on Easton and Otley College as its major customer. This note goes on to document the uncertainties surrounding the future viability of the College. We bring to your attention that the College accounts are prepared on a non going concern basis since it is expected to undergo a split and merger on the 31 December 2019.

Our opinion is not modified in respect of this matter

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**The purpose of our audit work and to whom we owe our responsibilities**

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.

S Beavis

**Stephanie Beavis (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**
*Chartered Accountants*
Dragonfly House
2 Gilders Way
Norwich
NR3 1UB

20 December 2019

## Profit and loss account and other comprehensive income
***for the year ended 31 July 2019***

| | Note | 2019 £000 | 2018 £000 |
|---|---|---|---|
| **Turnover** | 2 | 194 | 195 |
| Cost of sales | | (137) | (122) |
| **Gross profit** | | 57 | 73 |
| Administrative expenses | | (33) | (35) |
| **Profit on ordinary activities before taxation** | 5 | 24 | 38 |
| Taxation on ordinary activities | 6 | - | - |
| **Profit/(Loss) for the financial year** | | 24 | 38 |
| **Other comprehensive income** | 5 | - | - |
| Gift aid | | (55) | (67) |
| Taxation relating to other comprehensive income | | - | - |
| **Total comprehensive income** | | (31) | (29) |

The results for the year relate to continuing activities of the company.

The notes on pages 9 to 14 form part of these financial statements.

# Balance sheet
*at 31 July 2019*

| | Note | 2019 | | 2018 | |
|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 |
| **Fixed assets** | | | | | |
| Tangible fixed assets | 7 | | 861 | | 892 |
| **Current assets** | | | | | |
| Stock | 8 | 1 | | 1 | |
| Debtors | 9 | 4 | | 1 | |
| Cash at bank and in hand | | 34 | | 81 | |
| | | 39 | | 83 | |
| **Creditors: amounts falling due within one year** | 10 | (21) | | (65) | |
| **Net current assets** | | | 18 | | 18 |
| **Net assets** | | | 879 | | 910 |
| **Capital and reserves** | | | | | |
| Called up equity share capital | | | - | | - |
| Profit and loss account | | | 879 | | 910 |
| **Shareholders' funds** | | | 879 | | 910 |

These financial statements were approved by the board of directors on 18 December 2019 and were signed on its behalf by:

*Director*

*Director*

The notes on pages 9 to 14 form part of these financial statements.

## Statement of changes in equity

| | Called up share capital £000 | Profit and loss account £000 | Total equity £000 |
|---|---|---|---|
| Balance at 1 August 2017 | - | 939 | 939 |
| **Total comprehensive income for the period** | | | |
| Profit or loss | - | 38 | 38 |
| Gift aid payment | - | (67) | (67) |
| Taxation relating to other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | (29) | (29) |
| **Balance at 31 July 2018** | - | 910 | 910 |
| Balance at 1 August 2018 | - | 910 | 910 |
| **Total comprehensive income for the period** | | | |
| Profit or (loss) | - | 24 | 24 |
| Gift aid payment | - | (55) | (55) |
| Taxation relating to other comprehensive income | - | - | - |
| Total comprehensive income for the period | - | (31) | (31) |
| **Balance at 31 July 2019** | - | 879 | 879 |

# Notes
*(forming part of the financial statements)*

## 1 Accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").*

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 14.

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

***Basis of preparation***

***Going Concern***

EOC Enterprises Limited has made a profit for the financial year of £24k, had positive cash at bank and in hand balance throughout the period, and has net current assets and net assets of £18k and £879k respectively at the year end. The Entity's business relies heavily on its parent, Easton and Otley College (the College), with 75% of its turnover coming from the College's use of the sports hall. The Directors acknowledge the difficulties and uncertainties faced by Easton and Otley College, as described in the College's 2019 financial statements approved on 18th December 2019. As a result of these difficulties and uncertainties the governors of Easton and Otley College have resolved to merge and, subject to the approval of resolutions by the relevant governing bodies, the College's operations at the Easton Campus will transfer to City College Norwich and at the Otley Campus to Suffolk New College with effect from 1 January 2020. At the point of merger all of the shares in EOC Enterprises Limited will be transferred to City College Norwich and existing directors will be replaced with new directors.

The Directors believe it remains appropriate to prepare the financial statements of EOC Enterprises on a going concern basis but acknowledge that there is a material uncertainty related to the income from the College in the event that the mergers do not proceed as planned. These events and conditions may consequently cast significant doubt on the company's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of the business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

***Turnover***

Turnover represents the sale of goods and services excluding value added taxation. All turnover is derived from sales in the UK.

***Gift Aid***

During the year the directors have reconsidered the presentation of Gift Aid payments in the financial statements. Previously the directors followed the Charity Commission guidance, but now understand that legal advice has been issued contradicting this. As the directors now consider the Gift Aid payment to be akin to a distribution rather than an expense, it is now presented outside of the profit and loss account as an adjustment to profit taken to retained earnings.

***Tangible fixed assets***

*Equipment*

Equipment costing less than £1,000 per individual item is written off to the profit and loss account in the period of acquisition. All other equipment is capitalised at cost.

# Notes *(continued)*

***Tangible fixed assets and depreciation***

Depreciation is calculated so as to write off the cost of fixed assets less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

| | |
|---|---|
| Buildings | 2% |
| Fixtures and fittings | 10% - 20% |
| Equipment | 20% |

***Deferred tax***

Provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

***Stocks***

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

## 2 Turnover

| | 2019 £000 | 2018 £000 |
|---|---|---|
| **Turnover is derived from the following activities** | | |
| Sales | 45 | 46 |
| Charge to parent undertaking for use of sports hall | 149 | 149 |
| | 194 | 195 |

All turnover arose within the United Kingdom.

## 3 Directors' emoluments

The directors received no remuneration from the company.

## Notes *(continued)*

### 4 Staff number and costs

EOC Enterprises purchases staffing resource from its parent company, Easton and Otley College, as required. The charge in the year was £56,000 *(2017/18: £48,000)*

### 5 Profit on ordinary activity before taxation

Profit on ordinary activity before taxation is stated after charging:

| | 2019<br>£000 | 2018<br>£000 |
|---|---|---|
| Auditor's remuneration as auditors | - | - |
| Auditor's remuneration other services | - | 2 |
| Depreciation | 31 | 31 |

## Notes *(continued)*

### 6 Taxation

The company normally pays over the whole of its taxable profit under deed of covenant to its parent undertaking, Easton and Otley College.

| | 2019 £000 | 2018 £000 |
|---|---|---|
| UK Corporation tax on profits of the year | - | - |
| Tax relating to other comprehensive income | - | - |
| Over/(under) provision in prior year | - | - |
| Total current tax | - | - |

***Factors affecting the tax charge for the current year***

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for small companies. The differences are explained below:

| | 2019 £000 | 2018 £000 |
|---|---|---|
| Profit on ordinary activities before tax | 24 | 38 |
| Profit on ordinary activities multiplied by the standard rate in the UK for small companies 19% | 5 | 7 |
| Fixed Asset differences | 6 | 6 |
| Tax credited to equity | (11) | (13) |
| Income not taxable for tax purposes | - | - |
| Adjustments to tax charge in respect of previous periods | - | - |
| Tax charge/(credit) | - | - |

## Notes *(continued)*

### 7 Tangible fixed assets

| | Freehold buildings | Fixtures Fittings and Equipment | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| ***Cost*** | | | |
| At beginning of year | 1,553 | 43 | 1,596 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At end of year | 1,553 | 43 | 1,596 |
| ***Depreciation*** | | | |
| At beginning of year | 661 | 43 | - |
| Charge for year | 31 | - | - |
| Disposals | - | - | - |
| At end of year | 692 | 43 | - |
| ***Net book value*** | | | |
| **At 31 July 2019** | **861** | - | **861** |
| At 31 July 2018 | 892 | - | 892 |

### 8 Stock

| | 2019 | 2018 |
|---|---|---|
| | £000 | £000 |
| Goods for resale | 1 | 1 |

### 9 Debtors

| | 2019 | 2018 |
|---|---|---|
| | £000 | £000 |
| **Amounts falling due within one year** | | |
| Trade debtors | 4 | 1 |
| Amounts owed by parent undertaking | - | - |
| Prepayments and accrued income | - | - |
| | 4 | 1 |

## Notes *(continued)*

### 10 Creditors: amounts falling due within one year

| | 2019<br>£000 | 2018<br>£000 |
|---|---|---|
| Trade creditors | - | - |
| Amounts owed to parent undertaking | 11 | 55 |
| Other taxation and social security | - | - |
| Taxation | - | - |
| Accruals and deferred income | 10 | 10 |
| Other Creditors | - | - |
| | 21 | 65 |

### 11 Called up equity share capital

| | 2019<br>£ | 2018<br>£ |
|---|---|---|
| *Authorised* | | |
| 1,000 ordinary equity shares of £1 each | 1,000 | 1,000 |
| *Allotted, called up and fully paid* | | |
| 2 ordinary equity shares of £1 each | 2 | 2 |

### 12 Parent undertaking

The company is a wholly owned subsidiary of Easton and Otley College, incorporated under the Further and Higher Education Act 1992. According to the register maintained by the company, Easton and Otley College had a 100% interest in the share capital of the company. Copies of the financial statements of Easton and Otley College may be obtained from Easton and Otley College, Easton, Norwich, NR9 5DX.

### 13 Related parties

Transactions with entities that are part of the Easton and Otley College group are not disclosed.