

Registration number: 05833654

Track Training Limited

Directors' Report and Audited Financial Statements

for the Sixteen Months Ended 31 July 2016



Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Contents

Company Information	1
Directors' Report	2
Auditor's Report	4
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 to 20

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Company Information

Directors	Mr D G Sanders Mr M E Sanders Mr N W Skinner Mr C W M Cornelius Mr M A Jones Mr P R Harris Mrs G M Davies
Registered office	1st Floor Unit 3 Waterton Park Bridgend Vale of Glamorgan CF31 3BS
Auditors	Mazars LLP 90 Victoria Street BRISTOL BS1 6DP

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Directors' Report for the Period Ended 31 July 2016

The directors present their report and the audited financial statements for the sixteen month period ended 31 July 2016. The comparatives are for the year ended 31 March 2015.

Directors' responsibilities statement

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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company is that of the provision of training services.

Result for the period

The loss for the period, after taxation, amounted to £11,198 (year to 31 March 2015 – profit of £96,906).

The level of business has remained consistent with the prior period despite difficult conditions in the training market, and the period-end financial position is considered to be satisfactory. The directors anticipate that the present levels of activity will be maintained for the foreseeable future..

In September 2015, 80% of the share capital was acquired by Gower College Swansea. The directors view this acquisition as a mutually beneficial which will allow the company to further grow as a training services provider in the UK.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Directors of the company

The directors who held office during the whole of the period were:

Mr D G Sanders

Mr M E Sanders

Mr N W Skinner

Mr C W M Cornelius (appointed 10 September 2015)

Mr M A Jones (appointed 10 September 2015)

Mr P R Harris (appointed 10 September 2015)

Mrs G M Davies (appointed 10 September 2015)

Charitable donations

The company made charitable donations of £19,665 during the period.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Small company provisions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors on 13 March 2017 and signed on their behalf by:



Mr M E Sanders
Director

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Independent auditor's report to the members of Track Training Limited

We have audited the financial statements of Track Training Limited for the period ended 31 July 2016 which comprise the Statement of Financial Position, Statement of Changes in Equity, Statement of Financial Position, Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its loss for the period 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.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

Without qualifying our opinion we draw attention to the accounting policies on page 10 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company was entitled to exemption from audit.



Richard Bott (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars LLP
90 Victoria Street
Bristol
BS1 6DP

Date: 27/7/17

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Statement of Comprehensive Income

	Note	2016 £	2015 £ Unaudited
Revenue		2,671,098	2,027,898
Cost of sales		(329,422)	(205,895)
Gross profit		2,341,676	1,822,003
Administrative expenses		(2,341,321)	(1,686,842)
Other operating income		4,111	3,154
Operating profit	2	4,466	138,315
Interest payable and similar charges		(9,664)	(15,695)
Profit on ordinary activities before taxation		(5,198)	122,620
Tax on profit on ordinary activities	4	(6,000)	(25,714)
Total comprehensive income for the period	10	(11,198)	96,906

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Statement of Changes in Equity

	Note	Share Capital	Share Premium	Retained Earnings	Total
Balance at 1 April 2014	5	1,000	253,735	149,049	403,784
Profit for the period	6	-	-	96,906	96,906
Balance at 31 March 2015		1,000	253,735	245,955	500,690
Loss for the period	7	-	-	(11,198)	(11,198)
Balance at 31 July 2016		1,000	253,735	234,757	489,492

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Company Registration Number 05833654

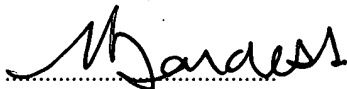
Statement of Financial Position

	Note	2016 £	2015 £ Unaudited
Fixed assets			
Tangible fixed assets	6	16,743	35,006
Current assets			
Debtors	7	983,348	839,180
Cash at bank and in hand	12	579	-
		983,927	839,180
Creditors: Amounts falling due within one year	8	(511,178)	(372,873)
Net current assets		472,749	466,307
Total assets less current liabilities		489,492	501,313
Creditors: Amounts falling due after more than one year	9	-	(623)
Net assets		489,492	500,690
Capital and reserves			
Called up equity share capital	11	1,000	1,000
Share premium account		253,735	253,735
Retained earnings		234,757	245,955
Total equity		489,492	500,690

Approval

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13.3.2017



Mr M E Sanders
Director

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Statement of cash flows

	Notes	2016 £	2015 £ Unaudited
Cash generated from operations			
- Cash receipts from customers		2,391,280	1,970,163
- Cash payments to suppliers and employees		(2,515,414)	(1,872,546)
Interest paid		(9,664)	(15,695)
Income tax paid		(38,980)	(36,199)
Net cash (used in)/generated from operating activities		(172,778)	45,723
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,487)	(3,668)
Repayment of directors loans		135,670	35,829
Net cash used in investing activities		123,183	32,161
Cash flows from financing activities			
Payments of finance lease liabilities		(4,613)	(18,025)
Repayment of bank loans		(20,712)	(87,011)
Net cash used in financing activities		(25,325)	(105,036)
(Decrease)/increase in cash and cash equivalents		(74,920)	(27,152)
Cash, cash equivalents and bank overdrafts at the start of the year		(88,641)	(61,489)
Cash, cash equivalents and bank overdrafts at the end of the period		(163,561)	(88,641)

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

1 General Information

Track Training Limited is a limited company incorporated in England. The Registered Office is 1st Floor Unit 3, Waterton Park, Bridgend, Vale Of Glamorgan, CF31 3BS

2 Summary of significant accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

The individual financial statements of Track Training Limited have been prepared in accordance with Financial Reporting Standard 102 and Companies Act 2006 (as applicable to companies subject to the small companies regime).

Transition to FRS102

The company is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the company has amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

An explanation of how the transition to FRS102 has affected the reported financial position, financial performance and cash flows of the consolidated results of the company is provided in note 16.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the group.

Comparatives

The comparatives included within the financial statements have not been audited as the company was exempt from an audit in the previous reporting period by virtue of its size.

Going Concern

Preparation of the accounts on a going concern basis. The financial statements have been prepared on the basis that the entity is a going concern. The Directors consider that there are no material uncertainties on the entity's ability to continue its activities for the foreseeable future. They have approved a detailed income and expenditure budget for 2017. The company believe that they have resources to meet future obligations.

Period of accounting period

The accounting period reported on in these financial statements are for the 16 months ended 31 July 2016. The reason for this is to bring the reported accounting period in line with that of the parent entity, Gower College Swansea. The comparative amounts represent the year ended 31 March 2015, therefore the comparative amounts (and related notes) are not entirely comparable.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

2 Summary of significant accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Government grants

Government grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute. To the extent that grants are made as a contribution towards specific expenditure on fixed assets, they are recognised over the useful economic life of the related asset.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office equipment	25% straight line
Motor vehicles	25% straight line or over the life of the lease
Fixtures and fittings	25% straight line
Freehold property	2% straight line

Assets with an individual cost price of less than £250 are not capitalized except when they are purchased in bulk.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

2 Summary of significant accounting policies (continued)

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Income tax

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Timing differences result from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date apart from certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing differences. Deferred tax relating to land and investment properties that is measured at fair value is measured using the tax rates and allowances that apply to the sale of the asset.

Employee benefits

Short-term employee benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the period in which the employees render service to the Company. Any unused benefits are accrued and measured as the additional amount the Company expects to pay as a result of the unused entitlement.

Post-employment defined contribution plans

Amounts in respect of defined contribution plans are recognised as an expense as they are incurred.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

2 Judgements and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

3 Operating profit

Operating profit is stated after charging:

	2016 £	2015 £ Unaudited
Profit on sale of tangible fixed assets	(1,700)	(6,848)
Depreciation of tangible fixed assets	30,750	31,300
Government grants receivable	(4,111)	(3,154)
Auditors Remuneration	4,200	-

4 Staff Costs (excluding Directors Remuneration)

	2016 £	2015 £
Wages and Salary	1,114,826	847,123
Social Security Costs	106,746	76,165
Other Pension Costs	-	-
	<u>1,221,572</u>	<u>923,288</u>

The average number of employees during the period was 37 (2015: 37)

The directors' remuneration for the period was as follows.

	2016 £	2015 £
Remuneration (including benefits in kind)	<u>261,292</u>	<u>150,107</u>

In respect of the highest paid director the aggregate remuneration was £106,406.

Four Directors did not receive any remuneration during the period.

The company was recharged £15,905 for their services by Gower College Swansea.

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July

5 Taxation

Tax on profit on ordinary activities

	2016 £	2015 £
Current tax		
Corporation tax charge	6,000	28,554
Deferred tax		
Origination and reversal of timing differences	-	(2,840)
Total tax on profit on ordinary activities	<u>6,000</u>	<u>25,714</u>

Factors affecting the tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 20% (2015 – 20%). The differences are explained below:

	2016 £	2015 £
Profit/loss on ordinary activities before tax	(5,298)	122,560
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(1,060)	24,512
Effects of:		
Expenses not deductible for tax purposes	7,060	1,202
Total tax on profit on ordinary activities	<u>6,000</u>	<u>25,714</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

6 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 April 2015	40,136	34,390	104,416	178,942
Additions	3,846	-	8,641	12,487
Disposals	-	(34,390)	-	(34,390)
At 31 July 2016	43,982	-	113,057	157,039
Depreciation				
At 1 April 2015	25,190	27,942	90,804	143,936
Charge for the period	11,138	6,448	13,164	30,750
Eliminated on disposals	-	(34,390)	-	(34,390)
At 31 July 2016	36,328	-	103,968	140,296
Net book value				
At 31 July 2016	7,654	-	9,089	16,743
At 31 March 2015	14,946	6,448	13,612	35,006

Leased assets

Included within the net book value of tangible fixed assets is £nil (2015 - £6,448) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £6,448 (2015 - £6,448).

7 Debtors

	2016 £	2015 £
Trade debtors	789,244	634,150
Other debtors	72,563	44,763
Amounts owed by parent company	98,574	-
Deferred tax	874	874
Directors' current accounts	45	135,715
Prepayments and accrued income	22,048	23,678
	<u>983,348</u>	<u>839,180</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

7 Debtors (continued)

Deferred tax

The movement in the deferred tax asset in the period is as follows:

	£
At 1 April 2015	874
Deferred tax credited to the profit and loss account	-
At 31 July 2016	<u>874</u>

Analysis of deferred tax

	2016 £	2015 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>874</u>	<u>874</u>
	<u>874</u>	<u>874</u>

8 Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	55,592	68,376
Bank loans and overdrafts	164,140	109,353
Obligations under finance lease and hire purchase contracts	-	5,690
Amounts owed to parent company	47,987	-
Corporation tax	16,885	49,865
Other taxes and social security	116,294	57,167
Other creditors	-	60,455
Accruals and deferred income	<u>110,280</u>	<u>21,967</u>
	<u>511,178</u>	<u>372,873</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

8 Creditors: Amounts falling due within one year (continued)

Creditor amounts falling due within one year includes the following liabilities, on which security has been given by the company:

	2016	2015
	£	£
Other taxes and social security	116,294	57,167
Other creditors	-	60,455
Accruals and deferred income	110,280	21,967
	<u>226,574</u>	<u>139,589</u>

The hire purchase agreement was secured over the assets to which it financed.
The bank overdraft is secured by way of a debenture over the assets of the company

9 Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Obligations under finance lease and hire purchase contracts	-	623
	<u>-</u>	<u>623</u>

10 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Within one year	-	623
	<u>-</u>	<u>623</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

11 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

12 Cash and cash equivalents

	2016 £	2015 £
Cash at bank	579	-
Bank overdraft	<u>(164,140)</u>	<u>(88,641)</u>
	<u>(163,561)</u>	<u>(88,641)</u>

13 Pension Commitments

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £nil (2015 - £nil).

Contributions totaling £nil (2015 - £nil) were payable to the scheme at the end of the period and are included in creditors.

Track Training Limited

Financial statements for the 16 months ended 31 July 2016

Notes to the Financial Statements for the Period Ended 31 July 2016

14 Commitments

Operating lease commitments

As at 31 July 2016 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2016 £	2015 £
Within one year	12,530	30,898
Within two to five years	128	24,548
	<u>12,658</u>	<u>55,446</u>

15 Related party transactions

Gower College Swansea are the controlling parent of the company. During the period, the company provided services to Gower College Swansea totaling £140,027 (2015 - nil). Gower College Swansea charged the company a management fee of £47,987 during the period (2015 - nil). At the period end, a total of £ 47,987 was payable to Gower College Swansea.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the entity are considered to be key management personnel. Total remuneration in respect of these individuals is £261,292 (2015 - £150,107).

Directors' advances and credits

	2016 Advance/ Credit £	2016 Repaid £	2015 Advance/ Credit £	2015 Repaid £
Mr M E Sanders				
Director's interest free loan	<u>-</u>	<u>56,993</u>	<u>56,993</u>	<u>35,831</u>
Mr D G Sanders				
Director's interest free loan	<u>-</u>	<u>78,676</u>	<u>78,676</u>	<u>-</u>

The directors' loan accounts of Mr ME Sanders and Mr DG Sanders were fully repaid in September 2015.

During the period a total of £71,751 was paid to employees L Burt, H Sanders, G Sanders & D Sanders who are related to the directors ME Sanders and DG Sanders.

The notes on pages 10 to 20 form an integral part of these financial statements.

Track Training Limited

Notes to the Financial Statements for the Period Ended 31 July 2016

16 Transition to FRS102

The period ended 31 July 2016 is the first period that the company has presented its financial statements under FRS102. The following disclosures are required in the period of transition. The last financial statements prepared under the previous UK GAAP were for the year ended 31 March 2015 and therefore the date of transition was 1 April 2014. As a consequence a number of accounting policies have changed.

A summary of how the transition has affected the financial position and financial performance of the company is set out below:

	1 April 2014	31 March 2015
	£	£
Net assets under previous UK GAAP	416,850	517,221
Fair value of asset on conversion	(2,940)	(2,880)
Holiday pay provision	(10,126)	(13,651)
Net assets under FRS102	<u>403,784</u>	<u>500,690</u>

	2015
	£
Profit after tax under previous UK GAAP	100,371
Removal of depreciation	60
Movement in holiday pay provision	(3,525)
Profit after tax under FRS102	<u>96,906</u>

The following were changes in accounting policies arising from the transition to FRS 102

Fair value of leasehold improvements

A review of leasehold improvements was undertaken at the point of conversion and these were impaired to £nil as it was deemed that they had no value to the Company

Holiday pay accrual

Under previous UK GAAP no provision was made for short term employee benefits such as holiday pay. Under FRS102 the costs of untaken annual leave are recognized as a liability and an expense in the period in which the employees' services were rendered. The company's annual leave year runs from 1 January to 31 December. An accrual of £10,126 was recognized at 1 April 2014, and £13,651 at 31 March 2015. Following a further remeasurement exercise during 2015/16 the movement on the accrual of £3,029 has been recognized as a charge for the period ended 31 July 2016.

16 Control

The ultimate controlling parent of the company is Gower College Swansea by virtue of ownership of 80% of the called up share capital.

17 Reserves

The profit and loss account is based on retained earnings earned since the inception of the company.

The notes on pages 10 to 20 form an integral part of these financial statements.