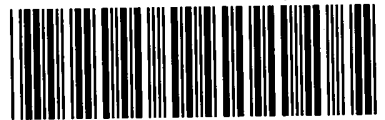


AoC India Limited

**Directors' report
and
financial statements
for the year ended
31 March 2016**

Registered number: 08159833

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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

A Khemka

J Sharma

C Stott

A Wilson

Resigned 3 September 2015

Chair

A Khemka

Executive Directors

P J Brophy

G Clipson

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

Mills & Reeve

1 St. James' Court

Whitefriars

Norwich

NR3 1RU

Bankers

Barclays Bank PLC

28th Floor, 1 Churchill Place

Canary Wharf

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 2016.

Principal activities

AoC India Ltd was formed in 2012 and brings together UK and Indian partners to provide UK vocational education and training programmes to India. It started as a partnership of 33 UK FE colleges that jointly funded a Delhi-based office. AoC India's team is operated through the 'base camp' scheme managed by UK India Business Council. Key activities for AoC India will include:

- Representing AoC India colleges to key Indian stakeholders
- Promoting the AoC India brand to potential Indian partners
- Working closely with key UK stakeholders such as UK Trade & Investment, the British Council and the Home Office
- Sourcing potential business opportunities for colleges
- Communicating business opportunities to participating colleges and general market information
- Helping to form appropriate consortiums to best access the Indian market and specific opportunities

AoC India was established on an initial two-year basis and after completing this period eight colleges have decided to continue with the partnership. After consultation with AoC it was agreed that this would represent a viable membership and the partnership will continue on this basis.

Achievements

AoC India partner colleges have come together to establish the first ever overseas UK FE sector office. They have set up a governance structure that includes a Board, Senior Management Group and Operational Group.

AoC India has signed memorandums of understanding and established strategic links with key Indian stakeholders including: National Skills Development Corporation, Chamber of Indian Industries, the Federation of Indian Chambers of Commerce and Industry and the Ministry of Human Resource Development. AoC India has also worked closely with the British Council on partnering with new Indian community colleges.

The UK college partnership has been strengthened by regular meetings including an annual India conference. AoC India has also established a strong partnership with UK India Business Council (UKIBC) which has included joining their core membership group, their skills group and joining their Launchpad service in Delhi. AoC India has also established links with UK Visas and Immigration representatives to help better explain the UK college offer to immigration officials.

AoC India has also built stronger links with the British Council and DBIS which has seen us take up an enhanced role in the UKIERI programme. This has included funding for a full time administrator role to be based at AoC.

Directors' Report (*continued*)

Staffing

AoC India has an India Manager and UK Manager to help support their work both in the Indian market and with UK partner colleges.

Publicity

AoC India has produced and distributed a promotional leaflet and has developed its website. College representatives have been invited to attend high profile UK delegations, including Ministerial and Prime Ministerial. AoC India staff have presented at numerous Indian events and conferences.

Business development

The commercialisation of the UK offer is the partnership's main challenge and remains a priority for the next year. The partnership will look to develop on its success in being awarded significant funding from UKIERI. There are a number of potential commercial programmes that members are exploring and in 2015 Vision West Nottinghamshire College opened a centre in the Punjab. There are several other projects that the partnership is working on in which we hope to achieve commerciality in the next 12 months. The smaller membership has allowed for a quicker response to opportunities and associated business development activities which will continue into the next year.

Plans for future periods

AoC India Ltd will continue with its principal activities over the coming year using funds obtained through college subscriptions, including a focus on developing commercial opportunities for partner colleges. It will have to carefully manage its budget in view of the reduced membership.

Results

The Board reports the outturn for the year ended 31 March 2016, which is a deficit of £41,953 after tax.

Risk management policy

The Board have considered the main risk of a reduction in the number of colleges continuing membership. In this event the principal activities will be reduced accordingly. A risk register has been introduced at Senior Management Group meetings.

Statement as to Disclosure of Information to Auditors

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.

Directors' Report (*continued*)

Auditors

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
6 July 2016

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 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 Association of Colleges' 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 INDIA LIMITED

We have audited the financial statements (the "financial statements") on pages 9 to 18. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on pages 6, 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 (APB's) Ethical Standards for Auditors.

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 website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on 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 March 2016 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year 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 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

RSM UK Audit LLP

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

3 April 2016

Statement of Income and Retained Earnings

For the year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	2	102,000	207,500
Cost of sales		<u>(103,329)</u>	<u>(113,367)</u>
Gross profit		(1,329)	94,133
Admin expenditure		<u>(38,462)</u>	<u>(59,040)</u>
Operating/(loss) profit		(39,791)	35,093
Interest receivable and similar income		<u>298</u>	<u>555</u>
(Loss)/profit before tax		(39,493)	35,648
Taxation	5	<u>(2,460)</u>	<u>(111)</u>
(Loss)/profit for the financial year		<u>(41,953)</u>	<u>35,537</u>
Retained earnings at 1 April		<u>65,366</u>	<u>29,829</u>
Retained earnings at 31 March		<u>23,413</u>	<u>65,366</u>

The loss for the year arises from the company's continuing operations.

Statement of Financial Position
 For the year ended 31 March 2016

		2016	2015
	Note	£	£
Current assets			
Debtors	6.	23,787	43,992
Cash at bank		136,921	141,606
		160,708	185,598
Current Liabilities			
Creditors: amounts falling due within one year	7	137,295	120,232
Net assets		23,413	65,366
Capital and reserves			
Profit and Loss Account		23,413	65,366
Total Shareholders' Funds		23,413	65,366

Company Registration Number: 08159833

These accounts have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The Association of Colleges Ltd have the power to amend these financial statements after they have been issued.

The financial statements on pages 9 to 18 were approved and authorised for issue by the Board of directors on 21 June 2016 and were signed on its behalf by:



A Khemka
 Chair
 6 July 2016

Statement of Cashflows

for the year ended 31 March 2016

	Notes	2016	2015
		£	£
Operating activities			
Cash generated from operations	11	(4,872)	(160,880)
Taxation		<u>(111)</u>	<u>(140)</u>
Net cash used in operating activities		(4,983)	(161,020)
Investing activities			
Interest received		<u>298</u>	<u>555</u>
Net cash from investing activities		298	555
Net decrease in cash and cash equivalents		(4,685)	(160,465)
Cash & cash equivalents at beginning of year		<u>141,606</u>	<u>302,071</u>
Cash & cash equivalents at end of year		<u>136,921</u>	<u>141,606</u>
Relating to:-			
Bank balances and short term deposits included in cash at bank and in hand		<u>136,921</u>	<u>141,606</u>

Notes *(forming part of the financial statements)*

1. Accounting Policies

General Information

AoC India is a limited company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 2 - 5 Stedham Place, London, WC1A 1HU.

AoC India is a wholly owned subsidiary of Association of Colleges (AOC) and its principle activities are disclosed in the Directors' 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.

Monetary amounts in these financial statements are rounded to the nearest whole pound except where otherwise indicated.

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.

First Time Adoption of FRS102

These financial statements are the first financial statements of FRS 102 AOC India Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of FRS 102 AOC India Limited for the year ended 31 March 2016 were prepared in accordance with UK GAAP. No restatement of items has been required in meeting the transition to FRS 102 on the transition date, 1 April 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have 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'.

Under FRS 102, the Statement of Cash Flows presents changes in cash and cash equivalents (which include cash in hand, deposits repayable on demand and overdrafts and short-term, highly liquid investments), showing changes arising from operating

Notes *(continued)*

activities, investing activities and financing activities separately. Under previous UK GAAP, the Cash Flow Statement presented changes in cash (which includes cash in hand, deposits repayable on demand and overdrafts) under the headings of operating activities, returns on investments and servicing of finance, taxation, capital expenditure and financial investment, acquisitions and disposals, equity dividends paid, management of liquid resources, and financing.

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.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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

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

As AoC India is a not-for-profit entity, taxation is based purely on investment income earned.

Foreign Exchange

The basis of translation of sums denoted in foreign currencies into sterling is determined at the point of processing each individual transaction at the prevailing rate.

Turnover

Turnover represents the amounts derived from the provision of services to customers. Turnover is recognised at the fair value of the consideration received or receivable for

Notes (continued)

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 subscriptions 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.

Other Income

Interest Income

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

Pension Scheme Arrangements

AoC India does not operate a company pension scheme.

Going Concern

Over the next 12 months the focus for members of AoC India is likely to move away from international work due to area reviews, as well as other factors. As such members may take a view to withdraw from membership of AoC India and AoC India may cease trading at the end of the 2016/17 financial year. The cash flow forecast is strong and AoC India has sufficient funds to cover all outstanding debts for the next 12 months ensuring there will be no unpaid creditors should AoC India cease trading. This would also ensure there would be no liabilities to the members or the holding company of AoC India.

Additional funding is being sought to continue AoC India after 31 March 2017. However, if this should not happen the company will cease to trade having met all outstanding obligations. The company will be able to meet its obligations in full for the next 12 months 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 accounts have continued to be prepared on the going concern basis and it is felt that this is not materially different to a break up basis.

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.

Notes (continued)

Financial Assets

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

Financial Liabilities

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

Derecognition Of Financial Assets And Liabilities

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

Reserves

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

Critical Accounting Estimates and Areas of Judgement

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

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

2. Turnover

100% of turnover results from activities within the UK.

3. Remuneration of directors

None of the directors received emoluments in respect of their role at AoC India Ltd.
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4. Staff numbers and costs

There are no direct staffing costs within AoC India Ltd. During the year this provision has been sourced by UKIBC and Mirabilis Management.

Notes (continued)

5. Tax		
	2016	2015
	£	£
Current tax:		
Current tax:		
UK corporation tax at 20% (2015: 20%)	2,460	111
Adjustments in respect of previous periods	-	-
Total tax on profit on ordinary activities	<u>2,460</u>	<u>111</u>
Factors affecting the tax charge for the year		
	2016	2015
	£	£
Profit on ordinary activities before tax	(39,493)	35,648
Tax on profit on ordinary activities at standard CT rate of 20% (2015: 20%)	(7,899)	7,130
Expenses not deductible for tax purposes	28,358	34,481
Income not taxable for tax purposes	(18,000)	(41,500)
Current tax charge for the period	<u>2,460</u>	<u>111</u>

6. Debtors: amounts falling due within one year		
	2016	2015
	£	£
Trade debtors	-	12,000
Prepayments	23,787	31,992
Total	<u>23,787</u>	<u>43,992</u>

7. Creditors: amounts falling due within one year		
	2016	2015
	£	£
Other creditors	232	7,145
Accruals	2,500	2,500
Corporation tax	2,460	111
Intercompany	36,103	20,476
Deferred income	96,000	90,000
Total	<u>137,295</u>	<u>120,232</u>

Notes (continued)

8. Financial instruments		
	2016	2015
	£	£
Financial assets:		
• Debt instruments measured at amortised cost	136,921	153,606
Total	<u>136,921</u>	<u>153,606</u>
Financial liabilities:		
• Measured at amortised cost	2,732	9,645
Total	<u>2,732</u>	<u>9,645</u>

9. Auditors' remuneration	
The auditor's remuneration for the year ended 31 March 2016 is £2,500 (2015: £2,500).	

10. Movement in net funds		
	2016	2015
	£	£
Opening balance	<u>65,366</u>	<u>29,829</u>
Movement in Net Funds	(41,953)	35,537
Closing balance	<u>23,413</u>	<u>65,366</u>

11. Reconciliation of Profit after Tax to Net Cash Generated From/(Used In) Operations for the year ended 31 March 2016		
	2016	2015
	£	£
Profit after tax	(41,953)	35,537
Interest Receivable	(298)	(555)
Taxation	2,460	111
Operating cash flows before movements in working capital	<u>(39,791)</u>	<u>35,093</u>
Decrease in trade and other debtors	20,205	48,859
Increase/(decrease) in trade and other creditors	14,714	(244,832)
Cash generated from / (used in) operations	<u>(4,872)</u>	<u>(160,880)</u>
Cash and cash equivalents		
Cash and cash equivalents represent:-		
Cash at bank	<u>136,921</u>	<u>141,606</u>

Notes (continued)

12. Parent company and related party transactions

AoC India is a wholly owned subsidiary of the Association of Colleges (AoC) which is also the ultimate controlling entity. Transactions between AoC India to its parent AoC and other group subsidiaries are set out below.

	2016	2015
Transactions during period	£311,435	£140,786
Nature of transactions	Treasury deposits, staff recharges and cash receipts	Treasury deposits, staff recharges and cash receipts
Balance outstanding at 31 March	£36,478	£25,043

Set out below are transactions for services provided by AoC India Ltd related to the non-executive company directors. These transactions relate to the directors' college contributions to the AoC India Partnership and, where mentioned, commission passed onto AoC India from colleges for its work on winning project bids. As the company is a wholly owned subsidiary of Association of Colleges, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

A Khemka - West Nottinghamshire College		
	2016	2015
Transactions during period	£14,400	£12,000
Nature of transactions	AoC India Partnership	AoC India Partnership
Balance outstanding at 31 March 2015	-	-

J Sharma - Walsall College		
	2016	2015
Transactions during period	£18,400	-
Nature of transactions	AoC India Partnership & Project Commission	-
Balance outstanding at 31 March 2015	-	-

A Wilson - Westminster Kingsway College		
	2016	2015
Transactions during period	-	12,000
Nature of transactions		AoC India Partnership
Balance outstanding at 31 March 2015	-	-