



The Skills & Growth Company

The Skills & Growth Company Ltd

Draft Summary Financial Statements 2018-19

Summary

The Skills & Growth Company Limited was incorporated on 26 May 2015 and commenced trading on 1 April 2016, following the transfer of employees from Cheshire East Borough Council (CEBC). The company's shareholders are a combination of Cheshire East Residents First Ltd (CERF Ltd) (80% shareholder) and Cheshire East Borough Council (20% shareholder). The company's main contract rests with CEBC.

The Skills & Growth Company Limited reported a Net Operating Profit of £39k in 2018/19 (2017/18: £126k profit) from its operations, prior to contractual share adjustments.

After the effects of the contract profit sharing arrangements, a loss of £36k is reported, which includes a £25k profit on the main contract and £61k loss on commercial activities. Although a loss is reported in 2018/19, the Company has retained balances of £33k and anticipates making a profit on commercial activities in 2019/20 that will replenish the reserves used in 2018/19.

The contracted profit sharing arrangement is such that, 25% of core contract profit is retained by the Company, 50% is retained in a ring-fenced reserve (held by the ultimate Parent CEBC) and 25% is retained by the Parent. This profit sharing adjustment is affected through a management fee adjustment. The ring-fenced reserve, retained by the Parent is held for future use by the Company in line with provisions in the contract.

The financial statements of The Skills & Growth Company Limited (the "Company") for the year ended 31 March 2019 will be issued to the Board for authorisation in September 2019 following the external audit of the company accounts in June.

As a wholly owned company within the Cheshire East Borough Council Group, The Skills & Growth Company Limited results are included in the consolidated financial statements of CEBC which are available from:

http://www.cheshireeast.gov.uk/council_and_democracy/your_council/council_finance_and_governance/statement_of_accounts/statement_of_accounts.aspx.

Statement of Comprehensive Income (Unaudited)

For the year ended 31 March 2019

	2019 £'000	2018 £'000
Turnover	1,698	2,148
Cost of sales	(1,408)	(1,744)
Gross profit	290	404
Administrative Expenses	(330)	(353)
Operating profit/loss()	(40)	51
Taxation	0	(5)
Profit/Loss() for the financial year/period	(40)	46
Other comprehensive income for the year/period	4	0
Total comprehensive income for the year/period	(36)	46

Statement of Financial Position (Unaudited)

Registered Number: 08549888

At 31 March 2019	2019 £'000	2018 £'000
Fixed Assets		
Intangible Assets	11	21
Total Fixed Assets	21	21
Current assets		
Debtors	217	379
Cash at bank and in hand	95	400
Total Current Assets	312	779
Creditors: amounts falling due within one year		
Trade creditors	(290)	(731)
Total Creditors: amounts falling due within one year	(731)	(731)
Net current assets	22	48
Net Assets less Current Liabilities	33	69
Total Creditors: amounts falling due after more than one year	0	0
Net Assets	33	69
Capital and Reserves		
Retained Earnings	33	69
Total Equity	33	69