



Releasing  
new  
potential

Releasing New Potential C.I.C.  
Annual Report and Financial Statements  
For the year ended 31 July 2018

Registered number: 10059126

**Releasing New Potential C.I.C.  
Annual Report and Financial Statements  
For the year ended 31 July 2018**

---

**Contents**

Directors' report	2
Independent Auditors' report	5
Statement of Income and Retained Earnings	7
Statement of Financial Position	8
Notes to the financial statements	9

**Releasing New Potential C.I.C.  
Directors' Report for the year ended 31 July 2018**

---

The Directors present their Annual Report and the audited Financial Statements of the Company for the year ended 31 July 2018. The company's operations commenced in March 2016, and these financial statements represent the second year of financial statements following an extended first full year of trading.

**Principal activities and business review**

The Company's principal activity during the year was to provide offenders and learners in custody, with the opportunity for real life, meaningful work experience, developing their employability skills and providing additional qualifications, which will support them in securing employment upon release. This includes operating a coffee shop at Leyhill and soap production at Eastwood.

Results for the current year/period show an operating surplus of £2,093 (2017: deficit of £13,033) and net liabilities of £7,535 (2017: £9,628) in the balance sheet.

**Future Developments**

As part of the development of this Company, we continue to explore potential opportunities to providing further work based learning and experience for our learners. In setting its budget for 2018/19, the Company is aiming to break even in the next financial year on a turnover of £168,000, although this will be challenging to achieve.

**Principle risks and uncertainties**

The principle risk facing the Company is the financial trading position. However, in terms of mitigation, in addition to regular monitoring so that any financial issues can be addressed at the earliest opportunity, a letter of support has been obtained from Weston College evidencing their intent to continue to provide financial support to RNP if required, to enable it to continue as a going concern. In addition, the overall Offender Learning contract with the Ministry of Justice is currently being re-tendered with an expected start date for those successful of 1<sup>st</sup> April 2019.

**Shareholding and Directors**

The Company is limited by guarantee and is a wholly owned subsidiary undertaking of Weston College. The Directors who served throughout the year and up to the date of the signing of the financial statements were:-

Linda Mary Burlison (resigned 19<sup>th</sup> September 2018)

Andrea May Greer (resigned 2<sup>nd</sup> November 2017)

Dr Paul Phillips CBE

Judith Louise Ferguson (appointed 2<sup>nd</sup> November 2017)

Christopher John Carter (appointed 2<sup>nd</sup> November 2017)

Peter Keith Sloman (appointed 2<sup>nd</sup> November 2017)

**Political and charitable contributions**

Releasing New Potential C.I.C. made no political or charitable contributions in the year ended 31 July 2018.

**Disability statement**

Releasing New Potential C.I.C. seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Needs and Disability Act 2001. The Company is committed to ensuring equality of opportunity for all who work at the Company. It respects and values differences in race, gender, sexual orientation, able-bodiedness, class and age and strives vigorously to remove conditions which place people at a disadvantage.

**Releasing New Potential C.I.C.  
Directors' Report for the year ended 31 July 2018**

---

The Company considers all applications from people with disabilities, bearing in mind the aptitudes of the individuals concerned. Where an existing employee experiences a disability, every effort is made to ensure that employment with the Company continues. The Company's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

**Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Releasing New Potential C.I.C.  
Directors' Report for the year ended 31 July 2018**

---

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

**Approved by the Board of Directors on 12 December 2018 and signed on its behalf by:**



**Dr Paul Phillips CBE  
Director**



**Judith Louise Ferguson  
Director**

# *Independent auditors' report to the members of Releasing New Potential C.I.C.*

## **Report on the audit of the financial statements**

---

### **Opinion**

In our opinion, Releasing New Potential C.I.C.'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 July 2018; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

---

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

---

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 July 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

### *Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

---

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



Craig Sullivan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

20 December 2018

**Releasing New Potential C.I.C.  
Statement of Income and Retained Earnings for the year ended 31 July 2018**

	Note	Year ended 31 July 2018 £	Period 12 March 2016 to 31 July 2017 £
Turnover	4	111,664	50,755
Cost of Sales		(66,609)	(18,505)
<b>Gross Profit</b>		45,055	32,250
Administrative expenses		(42,962)	(45,283)
<b>Operating Profit/(Loss)</b>		2,093	(13,033)
<b>Profit/(Loss) on ordinary activities before taxation</b>	5	2,093	(13,033)
Tax on Profit/(loss) on ordinary activities	7	-	-
<b>Profit/(Loss) for the financial year/period</b>		<b>2,093</b>	<b>(13,033)</b>
Donations received		-	3,405
<b>Profit/(Loss) for the financial year</b>		<b>2,093</b>	<b>(9,628)</b>
Retained Loss at 1 August 2017 / 12 March 2016		(9,628)	-
<b>Retained Loss at 31 July 2018 / 31 July 2017</b>		<b>(7,535)</b>	<b>(9,628)</b>

The Company will continue all of its operations and there were no acquisitions or discontinued operations in the year/period.

There is no material difference between the profit / (loss) on ordinary activities before taxation and the profit / (loss) for the financial year/period as stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the results above.

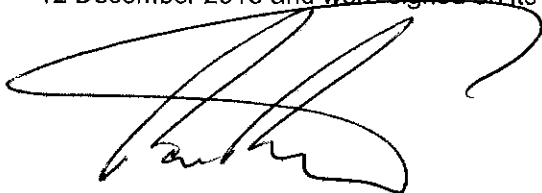


**Releasing New Potential C.I.C.**  
**Statement of Financial Position as at 31 July 2018**

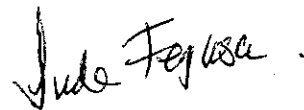
	Note	2018 £	2017 £
<b>Current assets</b>			
Stock		751	751
Debtors	8	81,195	376
Cash at bank and in hand		27,504	22,488
		109,450	23,615
<b>Creditors - amounts falling due within one year</b>	9	(100,134)	(8,325)
<b>Creditors – amounts falling due after more than one year</b>	10	(16,851)	(24,918)
<b>Net liabilities</b>		<b>(7,535)</b>	<b>(9,628)</b>
<b>Reserves</b>			
Profit and loss account		(7,535)	(9,628)
<b>Total deficit</b>		<b>(7,535)</b>	<b>(9,628)</b>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and 'The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008'.

These financial statements of Releasing New Potential C.I.C., registered number 10059126, on pages 7 to 12 were approved by the Board of Directors and authorised for issue on 12 December 2018 and were signed on its behalf by:



Dr Paul Phillips CBE  
 Director



Judith Louise Ferguson  
 Director

**Releasing New Potential C.I.C.**  
**Notes to financial statements for the year ended 31 July 2018**

---

**1 Company Information**

Releasing New Potential C.I.C. is a community interest company limited by guarantee and incorporated in England and Wales.

The Registered Office is situated at:

Weston College,  
Knightstone Road  
Weston-super-Mare,  
BS23 2AL

The ultimate parent entity and controlling party is Weston College, a Further and Higher Education college, incorporated under the Further and Higher Education Act 1992

**2 Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

In preparing these financial statements Releasing New Potential C.I.C. has, with the approval of the guarantor (Weston College), taken full advantage of the disclosure exemptions available under para 1.12 of FRS102. The company has therefore adopted the following exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures – including
  - o categories of financial instruments
  - o items of income, expenses, gains or losses related to financial instruments
  - o exposure to and management of financial risks
- the requirement to disclose Key Management Personnel compensation

The financial statements of Releasing New Potential C.I.C. are consolidated into the financial statements of the Weston College Group and its parent entity Weston College. The Financial Statements of Weston College are available on application to the Clerk to the Corporation, Weston College, Knightstone Road, Weston-super-Mare, North Somerset, BS23 2AL. Weston College is the only entity to consolidate the Company's financial statements

**Going Concern**

The financial position of the Company, its liquidity and borrowings are described in the Financial Statements and accompanying Notes. Budgets and ongoing financial projections indicate that the business will break even in 2018/19 with an expected turnover of £170,000.

The Directors have recognised the risks facing the Company and the mitigating actions planned. Having previously received a letter of support from Weston College, the Directors are of the opinion that the Company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

### **3 Accounting policies**

#### **Recognition of Income**

Income from contracts and other services is included to the extent of the completion of the contract or service concerned. Income from the sale of stock is recorded on the date of sale.

#### **Cash flow statement**

In accordance with exemptions available under paragraphs 1.8 and 1.12 (b) of FRS 102 the Company has not included a cash flow statement as part of these financial statements because the Company is a wholly owned subsidiary undertaking of a UK parent and the cash flows of this company are included within the cash flow statements of that parent entity.

#### **Stock**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **Debtors**

Debtors are measured at transaction price and included in the Statement of Financial Position to the extent that they are deemed to be recoverable. Any doubtful debts are provided at 100% and the balance sheet valuation of total debtors written down by such provisions. At the reporting date, no doubtful debts were provided against.

#### **Creditors**

Creditors are measured at transaction price and classified as falling due within one year, unless the Company has an unconditional right, at the end of the reporting period to defer settlement for at least 12 months after the reporting date.

#### **Key judgements / estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The major judgement made in the application of the Company's accounting policies is that the letter of support provided by Weston College constitutes an unconditional right to defer settlement of part of the amount owing to Group undertakings by the Company for at least 12 months from the reporting date.

### **4 Turnover**

All turnover was achieved in England and Wales.

Releasing New Potential C.I.C.  
Notes to financial statements for the year ended 31 July 2018

**5 Profit / (Loss) on ordinary activities before taxation**

Profit / (Loss) on ordinary activities before taxation is stated after charging

	2018 £	2017 £
Auditors' remuneration – statutory audit (excluding VAT)	8,300	5,000
Auditors' remuneration – tax compliance (excluding VAT)	1,215	1,850

The Directors did not receive any emoluments in respect of their services to the Company. Releasing New Potential C.I.C. made no payment to Weston College for the services provided by the Directors.

**6 Staff costs**

The monthly average number of persons (including senior post-holders) either employed by the Company, or by the Group specifically to carry out work for the Company, during the year/period, expressed as full-time equivalents, was:

For the year/period ended 31 July

	2018	2017
	Number	Number
Administration	2	1
<b>Total staff</b>	<b>2</b>	<b>1</b>

Staff costs for the above persons

	2018 £	2017 £
Wages and salaries	48,813	37,973
Social security costs	4,116	2,886
Other Pension costs	6,847	5,033
<b>Total Staff Costs</b>	<b>59,776</b>	<b>45,892</b>

**7 Tax on profit on ordinary activities**

	2018 £	2017 £
<b>Current year:</b>		
UK Corporation tax on profits (losses)	-	-
Tax on profit (loss) on ordinary activities	-	-

**Factors affecting the tax charge**

Profit (Loss) on ordinary activities before taxation	2,093	(13,033)
Tax on profit (loss) on ordinary activities at 19.00% (2017: 19.67%)	398	(2,548)
Effects of:-		
Expenses not deductible	72	673
Losses	(470)	1,694
Current year tax (credit) / charge	-	-

**Statement of Financial Position**

Corporation tax payable	-	-
-------------------------	---	---

**Releasing New Potential C.I.C.**  
**Notes to financial statements for the year ended 31 July 2018**

**8 Debtors**

	2018 £	2017 £
Amounts owed by group undertakings	80,529	-
Trade debtors	522	232
Other debtors	144	144
	<b>81,195</b>	<b>376</b>

**9 Creditors: amounts falling due within one year**

	2018 £	2017 £
Amounts owed to group undertakings	89,681	8,306
Other taxation and social security	164	19
Accruals and deferred income	10,289	-
	<b>100,134</b>	<b>8,325</b>

**10 Creditors: amounts falling due after more than one year**

	2018 £	2017 £
Amounts owed to group undertakings	16,851	24,918

**11 Amounts owing to group undertakings**

The amount owed to group undertakings includes sums owing to Weston College and is subject to a formal unsecured Loan Agreement. The loan is repayable to Weston College over a five year period with 2017/18 being the second year of operations. Interest will be charged quarterly on outstanding balances at 1% point above the ruling Bank of England Base Rate.

**12 Related party transactions**

In accordance with exemptions available under paragraph 33.1A of FRS 102 the Company has not disclosed any details of Related Party Transactions with other group undertakings as part of these financial statements. The Company is a wholly owned subsidiary undertaking of a UK parent (Weston College, the ultimate parent undertaking) and the Related Party Transactions of this Company are disclosed in the consolidated financial statements of the parent company. There were no other related party transactions requiring disclosure during the financial year.