

MKC Training Services Limited

Report of the Directors and Financial Statements

Year Ended 31st July 2020

Registered Number: 06657548 (England and Wales)



MKC Training Services Limited

FINANCIAL STATEMENTS

CONTENTS

	PAGE
Company Information	2
Strategic Report	3
Directors' Report	5
Independent Auditor's Report	7
Statement of Comprehensive Income	10
Balance Sheet	11
Cash Flow Statement	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14-20

Company registration number: 06657548 (England and Wales)

COMPANY INFORMATION

Board of directors

The directors who have served during the period were as follows:

N G Baveystock
M Maher
C Reeves (appointed 22 May 2020)
M Garrod (appointed 2 September 2019)
S Cook
I Daniel (resigned 13 March 2020)
D Innes (resigned 13 March 2020)
A Start

Company Secretary

M Peat

Registered office

MidKent College
Medway Road
Gillingham, Kent
ME7 1FN

External auditors

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Internal auditors

Scrutton Bland
820 The Crescent
Colchester Business Park
Colchester, Essex
CO4 9YQ

Bankers

Lloyds Banking Group
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds
Senator House
85 Queen Victoria Street
London
EC4V 4JL

STRATEGIC REPORT

The directors present their strategic report on the company for the year ended 31 July 2020.

Review of the Business

The principal activity of MKC Training Services Limited (MKC Training) in the period under review was to deliver training and asset management services to the Royal School of Military Engineering ("RSME"). MKC Training successfully won a further seven years of PPP contracting at the RSME from August 28th 2018.

As experts in the design and delivery of innovative teaching, learning, assessment and training design, we provide a stimulating environment to help individuals and organisations achieve their goals. We have deep subject specialism and knowledge across construction, engineering and the associated professional skills. MKC Training is a wholly owned subsidiary of MidKent College and has a successful track record for supporting employers, defence companies and awarding organisations.

Results & Performance

The company has completed another highly successful year of training despite some serious challenges resulting from the COVID-19 pandemic. Attributable pass rates for all trade courses finished at just short of 100%, well above the contractual targets. The overall loss to training for the last full training year was 3.48%, an improvement over the previous year and significantly better than the pre-contract norm of circa 12%. For the tenth consecutive year contract penalties stood at zero, and throughout the year all scheduled classes were delivered and the full range of workshop facilities were available for use.

Main Developments

Our ongoing Training Transformation project continues to provide ground breaking electronic, interactive learning content across the majority of our courses. The main benefit of this approach is to allow trainees permanent access to learning material whilst ensuring the training content is both standardised and engaging.

Greater use of technology and innovation in delivery has spread to most courses making the adoption of Fixed Mastery Variable Time delivery easier to introduce. In turn, this has provided real benefits in time saved, with no reduction in the quality of trained personnel entering the Field Army. MKC Training has embarked on an ambitious ICT and Digital strategy to further enhance its training and increase business efficiency.

MKC Training has delivered a number of Tri-service courses, in addition to its main contract, over the past year and has continued to develop and expand its training capability, both within the RSME and commercially. Among others MKC Training has contracts to deliver Re-settlement training to service leavers and learning content for City and Guilds to accompany their construction qualifications.

Quality Marks

The company holds accreditations in Investors in People, ISO 9001, ISO 14001 and has been an early adopter of the new safety standard ISO 45001. We are also working towards ISO 44001 for collaborative business relationship management.

The Company gained its ninth consecutive RoSPA Gold Medal Award for high safety standards demonstrating a robust and high quality safety management system together with a minimum of four years' consistently excellent, or continuously improving, health and safety performance.

Principal Risks and Uncertainties

The period covered by these financial statements saw the worldwide COVID-19 pandemic have a significant impact on the UK economy and on business operations throughout the UK. This risk is ongoing although MKC Training has, to date, managed to continue defence critical training and to support the UK Government response to COVID-19. This resilience has been based on the dedication of our people and ongoing investment in learning technology.

The post-Brexit general economic outlook for both the public and the private sectors remains uncertain. The varying scale and tempo of military operations, the changing priorities of the Field Army, advances in learning technology and developments in training methodology require MKC Training to be agile and flexible in the

MKC Training Services Limited

delivery of its main contract obligations. Similarly, changes in apprenticeship policy will present challenges and opportunities.

To assist the development of new income streams, MKC Training has a Business Development team who look across all training sectors to increase business.

Covid Impact and Response


Following the Government announcement in March for the country to stay at home, our training provision has been maintained with the Royal Engineers.

Despite a short break in learning of 3 days whilst the British Army considered its options, online delivery was adjusted and adapted and safety measures were put in place for face to face training, training was prioritised and resumed thereafter.

The British Army were quickly identified as key workers. As a result, specific training programmes were deemed as national priority for their importance in helping up support networks to help tackle the Covid crisis, these included helping train military personnel involved in supporting the national effort.

A range of measures were quickly implemented to provide safe training environments for trainees and staff and for online lessons to be delivered where possible.

SIGNED ON BEHALF OF THE BOARD



.....
N G Baveystock
Chairman of the Board
Date: 09 December 2020

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 July 2020.

Directors

The names of the directors are listed on page 2. Four Directors held office throughout the full year and four directors were part year.

Employees

The Company has a full complement of staff experiencing relatively modest turnover during the course of the last year. Sickness absence rates remain on par with the private sector. Local performance management and monitoring of absence is strong making effective use of all HR systems and policies to support the process. The Company holds Investors in People, (IIP) and has an effective staff appraisal scheme which has become firmly embedded within the company.

Financial instruments and risk management

The principal financial instruments of the business comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations

All of the company's cash balances are held in such a way that it achieves a competitive rate of interest. Investments are made in accordance with the Operating Cash Management Policy.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Daily cash flows are prepared to ensure that the working capital is sufficient to meet trade creditor payments and the monthly payroll.

Charitable Donations

Co-sponsorship of the RE Football team and some financial assistance to the Bobsleigh Team and some Boxing trophies were made during the year. Charitable donations were made in the year include the Helen Bamber Foundation, Demelza, Fairview School and the Masonic Foundation. In addition, a payment to a Non-executive Director was made to Mr Baveystock.

Statement of disclosure of information to auditor

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above, each confirm, so far as we are aware, that:

- there is no information relevant to the audit of the Company's financial statements for the year ended 31 July 2020 of which the auditor is unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

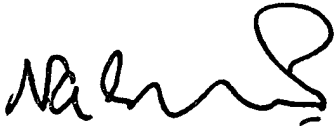
Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements directors are required to:

MKC Training Services Limited

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the financial statements on a 'going concern' basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They 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.

SIGNED ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'N G Baveystock', with a large, stylized flourish at the end.

N G Baveystock
Chairman of the Board

Date: 09 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MKC TRAINING SERVICES LIMITED

Opinion

We have audited the financial statements of MKC Training Services Limited (the 'company') for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

MKC Training Services Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Use of the audit report

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.

MKC Training Services Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS.

Date: 22 January 2021

MKC Training Services Limited

STATEMENT OF COMPREHENSIVE INCOME

	Note	<u>2020</u>	<u>2019</u>
		£	£
Turnover	2	17,708,649	16,250,669
Cost of sales		(8,610,992)	(8,215,927)
		<u>9,097,657</u>	<u>8,034,742</u>
Gross profit			
Administrative expenses		(6,353,702)	(5,691,909)
		<u>2,743,955</u>	<u>2,342,833</u>
Operating profit	3		
Interest receivable and similar income		18,667	34,212
Gain on exchange rate		0	(157)
Profit on disposal of assets		125	19,800
Interest payable and similar charges	5	(16,720)	(18,151)
		<u>2,746,027</u>	<u>2,378,537</u>
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	6	0	0
		<u>2,746,027</u>	<u>2,378,537</u>
Profit for the financial year			
Other comprehensive income		0	0
		<u>2,746,027</u>	<u>2,378,537</u>
Total comprehensive income for the year			

MKC Training Services Limited

BALANCE SHEET

	Note	<u>2020</u>		<u>2019</u>	
		£	£	£	£
Fixed assets					
Tangible fixed assets	7		1,037,960		929,860
			<u>1,037,960</u>		<u>929,860</u>
Current assets					
Debtors	8	1,910,053		1,820,985	
Short term cash investments		1,024,685		1,017,988	
Cash at bank and hand		<u>4,844,501</u>		<u>4,055,676</u>	
			7,779,239		6,894,649
Creditors - amounts falling due within one year	9		(4,589,705)		(4,308,379)
Net current assets			<u>3,189,534</u>		<u>2,586,270</u>
Total assets less current liabilities			4,227,494		3,516,130
Creditors - amounts falling due after more than one year	10		(1,000,000)		(1,000,000)
Net assets			<u>3,227,494</u>		<u>2,516,130</u>
Capital and reserves					
Called up share capital	16		10		10
Profit and loss account			3,227,484		2,516,120
Shareholders' funds			<u>3,227,494</u>		<u>2,516,130</u>

These financial statements were approved and authorised for issue by the Board on 09 December 2020
On behalf of the Board


N Baveystock

Director

Registered Number: 06657548

The notes on pages 14 to 20 form part of these financial statements.

MKC Training Services Limited

CASH FLOW STATEMENT

	<u>2020</u>	<u>2019</u>
	£	£
Cashflow from operating activities		
Profit for the year	2,746,027	2,378,537
Adjustment for non-cash items		
Depreciation	233,724	172,411
(Increase)/Decrease in debtors	(89,068)	495,478
Increase in creditors due within one year	281,326	754,221
Adjustment for investing or financing activities		
Investment income	(18,667)	(34,212)
Interest payable	16,720	18,151
Gain on sale of fixed assets	(125)	(19,800)
Net cash flow from operating activities	<u>3,169,937</u>	<u>3,764,786</u>
Cash flows from investing activities		
Proceeds from the sale of fixed assets	125	19,800
Investment income	18,667	34,212
Withdrawal/(Placement) of deposits	(6,696)	(9,089)
Payments made to acquire fixed assets	(341,824)	(437,701)
	<u>(329,728)</u>	<u>(392,778)</u>
Cash flows from financing activities		
Interest paid	(16,720)	(18,151)
Gift aid to parent	(2,034,664)	(3,440,129)
	<u>(2,051,384)</u>	<u>(3,458,280)</u>
Increase/(Decrease) in cash and cash equivalents	788,825	(86,272)
Cash and cash equivalents at beginning of year	4,055,676	4,141,948
Cash and cash equivalents at end of year	<u>4,844,501</u>	<u>4,055,676</u>

MKC Training Services Limited

STATEMENT OF CHANGES IN EQUITY

	<u>Profit and loss account</u>	<u>Share capital</u>	<u>Total</u>
	£	£	£
Balance at 31 July 2018	3,577,712	10	3,577,722
Profit for the financial year	2,378,537	0	2,378,537
Gift aid distribution	(3,440,129)	0	(3,440,129)
	(1,061,592)	0	(1,061,592)
Balance at 31 July 2019	2,516,120	10	2,516,130
Profit for the financial year	2,746,027	0	2,746,027
Gift aid distribution	(2,034,664)	0	(2,034,664)
	711,361	0	711,361
Balance at 31 July 2020	3,227,484	10	3,227,494

NOTES TO THE FINANCIAL STATEMENTS

Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged during the period and have been consistently applied within the same accounts.

(a) Statement of Compliance

The individual financial statements of MKC Training Services Limited have been prepared in accordance with Financial Reporting Standard 102 and Companies Act 2006.

(b) The activities of the Company, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the Company, its cashflow, liquidity and borrowings are described in the Financial Statements and accompanying Notes.

The Company has one long-term loan and no other borrowings. The Company's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

Accordingly, 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.

(c) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(d) Tangible Fixed Assets

Equipment inherited from the MOD is stated in the balance sheet at valuation on the basis of open market value for existing use as at December 2008.

Deferred income is credited with the valuation of the assets as a capital grant and released to the profit and loss over the life of the asset on a basis consistent with the depreciation policy.

(e) Depreciation

Equipment costing less than £1,000 per individual item is written off to the Statement of Comprehensive Income in the period of acquisition. All other equipment is capitalised at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. All equipment is depreciated on a straight line basis over its estimated useful economic life as follows:

Equipment	-	10 - 25% pa
-----------	---	-------------

(f) Pension costs

The company operates defined contribution schemes for the benefit of its employees. The costs of contributions are written off against profits in the year they are payable.

(g) Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year with all resulting exchange differences being taken to the Statement of Comprehensive Income in the year in which they arise.

(h) Leased assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(i) Short term Employment Benefits

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

MKC Training Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Turnover

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the period.

3 Operating profit

	<u>2020</u>	<u>2019</u>
	£	£
Operating profit is after charging:		
Auditor's remuneration	7,415	5,260
Tax compliance services	2,400	2,400
Hire of assets - operating leases	25,567	27,743
Hire of other equipment	36,352	10,050

MKC Training Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Staff costs

The average number of persons employed by the company including seconded staff and directors during the period was as follows:

	<u>2020</u>	<u>2019</u>
Administration	49	46
Teaching	141	141
Total	<u>190</u>	<u>187</u>

The aggregate payroll costs of these persons were as follows:

	<u>2020</u>	<u>2019</u>
	£	£
Wages and salaries	7,958,481	7,572,720
Social security costs	773,515	781,787
Other pension costs	917,236	855,775
Total	<u>9,649,232</u>	<u>9,210,282</u>

Emoluments of £5,000 were paid to one director, N Baveystock, during the year (2019: £0).

The total remuneration for key management personnel in the year was £559,808 (2019: £573,587).

6 (2019: 6) key management personnel accrued benefits under the defined contribution pension scheme.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2020</u>	<u>2019</u>
	£	£
Interest payable	<u>16,720</u>	<u>18,151</u>

6 TAXATION

All taxable profits are gift aided to the company's parent company, MidKent College. Therefore the tax charge for the period is £nil (2019: £nil) as there are no taxable profits.

7 TANGIBLE FIXED ASSETS

	<u>Equipment</u>	<u>Total</u>
	£	£
Cost		
At 1 August 2019	3,200,241	3,200,241
Additions	341,824	341,824
Disposals	(4,700)	(4,700)
At 31 July 2020	<u>3,537,365</u>	<u>3,537,365</u>
Depreciation		
At 1 August 2019	2,270,381	2,270,381
Charge for the year	233,724	233,724
On disposals	(4,700)	(4,700)
At 31 July 2020	<u>2,499,405</u>	<u>2,499,405</u>
Net Book Value		
At 31 July 2020	<u>1,037,960</u>	<u>1,037,960</u>
At 31 July 2019	<u>929,860</u>	<u>929,860</u>

Inherited equipment has been initially recognised in the balance sheet at fair market value of £1.8m in December 2008. The valuation was prepared externally by Hickman-Shearer. The historic cost of these assets is £1. Assets under construction at the end of the year amounts to £74k, included in the total additions figure.

MKC Training Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Debtors

	<u>2020</u>	<u>2019</u>
	£	£
Trade debtors	1,744,513	1,631,699
Prepayments and other debtors	165,530	189,276
Amounts owed by group undertakings	10	10
Total	<u>1,910,053</u>	<u>1,820,985</u>

The amounts owed by group undertakings are interest free and repayable on demand.

9 Creditors – amounts falling due within one year

	<u>2020</u>	<u>2019</u>
	£	£
Trade creditors	356,056	472,840
Amounts owed to group undertakings	2,398,080	2,932,691
Other tax and social security	1,024,219	238,383
Accruals and deferred income	811,350	664,465
Total	<u>4,589,705</u>	<u>4,308,379</u>

The amounts owed to group undertakings are interest free and repayable on demand.

10 Creditors: Amounts falling due after more than one year

	<u>2020</u>	<u>2019</u>
	£	£
Intercompany loan	1,000,000	1,000,000
Total	<u>1,000,000</u>	<u>1,000,000</u>

The loan is a long term loan payable in full on the request of the College but remains in place to ensure the balance sheet of the subsidiary remains in a net asset position. The loan is payable in full on 20 July 2023 with the interest rate changed at 1% above the Federated Investors Cash Fund interest rate.

MKC Training Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Financial commitments

At 31 July MKC Training Services Limited had commitments payable under non-cancellable operating leases as follows:

	<u>2020</u>	<u>2019</u>
	£	£
Other lease commitments:		
Payable within one year	24,224	24,664
Payable within two to five years	48,449	73,992
Total	<u>72,673</u>	<u>98,656</u>

12 Related party transactions

The company has taken the advantage of the exemption in the Financial Reporting Standard 102 from the requirement to disclose transactions with Group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

A governor and chairman of MKCTS Ltd is the CEO of Masonic Charitable Foundation (MCF). MKCTS made a donation of £10,000 (2019: £10,000) to MCF for services.

MKC Training Services Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Control

The company is a wholly owned subsidiary of MidKent College, which is the ultimate parent corporation. MidKent College is a parent undertaking of the group of which MKC Training Services Limited is a member and for which group accounts are drawn up. Copies of these group accounts are available from the College website at www.midkent.ac.uk or alternatively from the clerk at Medway Campus, Medway Road, Gillingham, Kent ME7 1FN.

14 Short term Cash Investments

	<u>At 1 August</u> <u>2019</u> £	<u>Cash flows</u> £	<u>At 1 July</u> <u>2020</u> £
Short term cash investments	1,017,988	6,697	1,024,685
	<u>1,017,988</u>	<u>6,697</u>	<u>1,024,685</u>

15 Capital commitments

At 31 July MKC Training Services Limited had the following capital commitments:

	<u>2020</u> £	<u>2019</u> £
Authorised and contracted for	0	0
Authorised, but not contracted for	25,705	85,000
Total	<u>25,705</u>	<u>85,000</u>

16 Share Capital

	<u>2020</u> £	<u>2019</u> £
Authorised: 100 shares of £1 each	<u>100</u>	<u>100</u>
Issued: 10 shares of £1 each	<u>10</u>	<u>10</u>