



Fletcher & Co.

Chartered Certified Accountants

18th February 2020

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Dear Sirs,

Anglo Skills College Limited

Re Financial Assessment Report on the ASC Accounts 2019 and 2020

We act as the auditors for the above-named company and carried out the audit for the year ended 28 February 2019. We have been advised by the director of the college to prepare the financial report purely for the purposes of the financial status of current year ending February 2020 and last year end 2019 to analyse and assess the viability and sustainability of the business from last two years. We have assessed the income and expenditure and checked the sources of income and cash reserves in the bank and unpaid invoices. We believe that company has enough reserves in the form of cash reserves and the bank balance and the unpaid invoices to raise the company's financial strength in the form of equity to be sustained its business for the next year positively.

The collage has been trading for 9 years and has been developing and growing its business through a wide range of courses and training services. We have audited the accounts to 28 February 2019 and the company has established a stable source of income through Saudi students. This has increased by approximately 40% for the year ending 28 February 2020.

From March 2020, the college is expecting approximately 50 Saudi sponsored students to be enrolled on to new courses to increase the income by some 30%. Twelve (12) sponsored students have already been registered for the academic English course and started the courses from January 2020.

The potential income from each student for twelve weeks will be £3720.00. The turnover is at the end of financial year should be in the region of £129,000 (30% increase in income generation as compared to last year) to stabilise the cash reserves and equity will be in the region of £40,000. The company should therefore reach a breakeven point without relying on director loans to sustain its business for next 12 months.

For the year 2021/22, the college is expecting the increase of income growth by 40% and turnover will be expected to reach £210,000. The continued growth is expected to be re-invested in the company to develop further courses and invest in capital assets.

Assessing the trading activity since the year end 2019 and signing of the audit report on 18th November 2019, we feel, the current students' growth and courses delivery would develop the confidence of the students to continue the study. We are writing this report to confirm that the company has improved reserves and cash flow to sustain its business at the date of this report.

Yours faithfully

Sarah Fletcher F.C.C.A
Fletcher & Co