

Oxford Brookes Enterprises Limited

Financial Statements

Year ended 31 July 2015

Registration number: 2299189

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Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Contents	Page
Directors' report.....	4-4
Independent auditors' report	5-6
Profit and loss account.....	7
Statement of Total Recognised Gains and Losses	8
Balance sheet as at 31 July 2015	9
Notes to the financial statements.....	10-14

Oxford Brookes Enterprises Limited
Independent Auditors' report to the members of Oxford Brookes Enterprises Limited

Report of the directors

The directors present their report and the audited financial statements for the year ended 31 July 2015.

Principal activities and business review

The principal activities of the company consist of the provision of conference, printing, consultancy services and trading activities.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

The profit and loss account for the year is set out on page 8.

Distribution

The directors recommend distributing the profit of £686,300 to the parent charity.

Fixed assets

The movements in fixed assets are set out in note 7 to the financial statements.

Directors

The directors of the company who were in office during the year end and up to the date of signing the financial statements were as follows:

Mr Geoffrey Donnelly
Professor Alistair Fitt
Professor Julie McLeod
Professor Janet Beer resigned 31st January 2015
Ms Joanne Jones resigned 31st May 2015
Ms Cathy Burleigh appointed 25th September 2015

Directors' interests in contracts

None of the directors had a material interest in any contract of significance to which the company was a party during the year.

Political and charitable contributions

No political or charitable contributions were made during the year.

Employees

Oxford Brookes University maintains insurance for its subsidiary and associated company directors in respect of their duties as directors of those companies.

Financial risk management

The company makes little use of financial instruments other than operational bank accounts and so its exposure to price risk, credit risk, liquidity and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit and loss of the company.

Oxford Brookes Enterprises Limited
Independent Auditors' report to the members of Oxford Brookes Enterprises Limited

Directors' responsibilities

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the 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 prepared 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 these financial statements, the directors are required to:

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

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board and signed by its order by:



23-11-2015

Cathy Burleigh
Secretary and Director of Finance and Legal Services

Oxford Brookes Enterprises Limited
Independent Auditors' report to the members of Oxford Brookes Enterprises Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its profit 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Oxford Brookes Enterprises Limited, comprise:

- the Balance sheet as at 31 July 2015;
- the profit and loss account for the year then ended;
- the Movements of shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

Oxford Brookes Enterprises Limited
Independent Auditors' report to the members of Oxford Brookes Enterprises Limited

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.



Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date: 30 November 2015

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Profit and loss account

	Note	2015 £	2014 £
Turnover	2	3,547,126	3,583,063
Cost of sales		<u>(2,802,993)</u>	<u>(2,411,835)</u>
Gross profit		<u>744,133</u>	<u>1,171,228</u>
Administrative expenses		<u>(57,833)</u>	<u>(92,777)</u>
Operating profit	3	<u>686,300</u>	<u>1,078,451</u>
Taxation		<u>-</u>	<u>-</u>
Profit after Tax		<u>686,300</u>	<u>1,078,451</u>

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Statement of Total Recognised Gains and Losses for the Year Ended 31 July 2015

	Note	2015 £	2014 £
Profit for the financial year	6	<u>686,300</u>	<u>1,078,451</u>
Total recognised Gains/(Losses) relating to the year		686,300	1,078,451
Reconciliation			
Opening profit and loss account		-	(502,374)
Capital Reduction	6	550,000	-
Additional gift aid payment relating to 2013/14 not provided for	6	(458,355)	-
Receipt of repayment of prior year distribution	6	584,921	-
Profit for 2014/15 financial year		686,300	-
Amount paid under gift aid		(600,640)	(725,437)
Provision for prior year gift aid payment		600,640	750,000
Provision for current year gift aid payment	6	(1,271,221)	(600,640)
Closing profit and loss account		<u>91,645</u>	<u>-</u>

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Balance sheet as at 31 July 2015


Registration number: 2299189

		2015	2014
	Note	£	£
Fixed assets			
Tangible assets	7	<u>572,777</u>	589,142
Current assets			
Stocks	8	31,014	70,482
Debtors	9	1,591,041	1,218,001
Cash at bank and in hand		<u>1,603,526</u>	1,420,273
		3,225,581	2,708,756
Creditors: amounts falling due within one year	10	<u>(3,256,613)</u>	(2,297,798)
Net current (liabilities) / assets		<u>(31,032)</u>	410,958
Total assets less current liabilities		<u>541,745</u>	<u>1,000,100</u>
Capital and reserves			
Called up share capital	11	450,100	1,000,100
Profit and loss account		<u>91,645</u>	0
Total shareholders' funds	12	<u>541,745</u>	<u>1,000,100</u>

These financial statements on pages 7 to 13 were approved and authorised for issue on 23 November 2015 by the board and signed on its behalf by:



Professor Alistair Fitt
Director



Mr Geoffrey Donnelly
Director

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Notes to the financial statements

1. Principal accounting policies

The financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention. The Company has taken advantage of the exemption in Financial Reporting Standards No 1 from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group.

(b) Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Freehold buildings	5-50 years
Equipment	3-5 years

(c) Taxation

The company is liable to corporation tax based on the profit for the year as adjusted for disallowable items. However, taxable profits are gift aided to Oxford Brookes University thereby reducing or eliminating corporation tax charges.

Deferred tax is provided in respect of timing differences between the treatment of certain items for taxation and accounting purposes.

(d) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

(e) Pension schemes

The company does not operate a pension scheme. Employer's pension contributions recharged by Oxford Brookes University are charged to the profit and loss account in the period to which the salaries on which they are payable relate.

(f) Stock and work in progress

Stock is held at the lower of cost and net realisable value. Work in progress is valued on the basis of work certified at the year end.

(g) Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, either as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

All turnover is derived from UK activities.

The turnover shown in the profit and loss account represents the value of all services delivered, and goods sold, during the year, at the selling price exclusive of VAT, sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Notes to the financial statements

3. Operating profit

This is stated after charging:

	2015	2014
	£	£
Auditors' remuneration in respect of audit services	2,600	2,000
Auditors' remuneration in respect of other services	2,000	1,000
Depreciation	16,300	18,244

	2015	2015
	£	£
Aggregate Director's remuneration borne by Oxford Brookes University	502,957	462,396

	2015	2014
	£	£
Highest paid Director (Vice-Chancellor): Professor Alistair Fitt:		
Remuneration excluding employer's pension contributions		
Professor Alistair Fitt from 1 Feb 2015	115,378	-
Professor Janet Beer to 31 Jan 2015	115,000	222,359
Employers' pension contribution		
Professor Alistair Fitt from 1 Feb 2015	1,600	-
Professor Janet Beer to 31 Jan 2015	16,215	31,020
Total remuneration	<u>248,193</u>	<u>253,379</u>

4. Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company (2014:£nil). Four of the directors receive remuneration from the parent organisation, Oxford Brookes University in respect of their duties relating to the University. No amounts are paid to the other director in respect of Oxford Brookes Enterprises Limited.

5. Tax on profit on ordinary activities

No provision has been made for corporation tax in these financial statements for the current year as the company gift aids taxable profits to its parent.

6. Capital Reduction and Gift Aid

Historically, and in common with other charitable groups with trading subsidiaries, the Company has made gift aid payments equal to its taxable profits to its parent charitable entity, (Oxford Brookes University). Due to some expenses not being tax deductible or being subject to timing differences (e.g. asset purchases are depreciated in the financial statements but typically written off at a different rate through capital allowances), the taxable profits have sometimes been greater than the associated accounting profits. This meant that previously (and in line with many other charitable groups) a negative profit and loss account was accrued. The share capital held in the subsidiary enabled the gift aid payment to be made, without it resulting in negative overall reserves for the trading subsidiary.

During the financial year, a technical alert was issued by the Institute of Chartered Accountants in England and Wales requiring that gift aid payments be treated as distributions in the same way as dividends. In effect, this meant that gift aid payments could only be made from distributable rather than overall reserves – in the Company's case this represented only the Profit and loss reserve.

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Notes to the financial statements

The technical alert was also backdated, meaning that positive distributable reserves would have been required to allow any gift aid payments over previous periods. Any gift aid payments made in excess of distributable reserves would therefore not be allowed retrospectively and would therefore be required to be repaid from Oxford Brookes University to Oxford Brookes Enterprises Ltd.

In previous years, £584,921 of such gift aid payments were made to Oxford Brookes University from Oxford Brookes Enterprises Ltd. In reversing these transactions, a debtor was created at 31 July 2015. The income has been recognised and shown separately on page 8 – reconciliation of the profit and loss account. Oxford Brookes University repaid this amount to Oxford Brookes Enterprises Ltd on 28th October 2015.

In order to create positive distributable reserves within Oxford Brookes Enterprises Ltd, its parent undertaking Oxford Brookes University passed a resolution on 16th April 2015 to allow a capital reduction in Oxford Brookes Enterprises Ltd. This resulted in Oxford Brookes Enterprises Ltd share capital being reduced from £1,000,100 to £450,100, to enable the distributable Profit and loss reserve to be correspondently increased by £550,000. This enabled future gift aid distributions to be made appropriately to Oxford Brookes University.

Since the capital reduction was implemented, Oxford Brookes Enterprises Ltd has subsequently made gift aid distributions to Oxford Brookes University of £1,058,995 to be utilised against 2013/14 taxable profit.

The gift aid distributions were paid before 31 March 2015 (within 9 months of that year end).

In the current year end of 31 July 2015, Oxford Brookes Enterprises Ltd has declared an additional gift aid distribution of £1,271,221 to be utilised against 2014/15 taxable profit (representing £686,300 profit after tax and £584,921 receipt of the repayment of prior year distribution from Oxford Brookes University).

7. Fixed assets – tangible

	Freehold building	Equipment	Total
Cost	£	£	£
At 1 Aug 2014	818,252	442,165	1,260,417
Disposals	-	(28,426)	(28,426)
At 31 July 2015	818,252	413,739	1,231,991
Accumulated Depreciation			
At 1 Aug 2014	(229,110)	(442,165)	(671,275)
Charge for the year	(16,365)	-	(16,365)
Disposals	-	28,426	28,426
At 31 July 2015	(245,475)	(413,739)	(659,214)
Net Book Value			
At 31 July 2015	572,777	-	572,777
At 31 July 2014	589,142	-	589,142

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

8. Stocks

	2015	2014
	£	£
Raw materials	31,014	70,482
	<u>31,014</u>	<u>70,482</u>

9. Debtors

	2015	2014
	£	£
Trade debtors	884,484	1,090,056
Other debtors	64,412	82,272
Prepayments and accrued income	57,224	45,673
Due from parent company repayment of prior year distribution	584,921	-
	<u>1,591,041</u>	<u>1,218,001</u>

10. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	58,143	1,800
Amounts owed to group undertaking	2,510,315	1,576,251
Accruals and deferred income	227,253	220,026
Payments received in advance	460,902	499,721
	<u>3,256,613</u>	<u>2,297,798</u>

11. Called up Share capital

	2015	2014
	£	£
Authorised, 450,100 (2014: 1,000,100) ordinary shares at £1 each	<u>450,100</u>	<u>1,000,100</u>
Allotted, called up and fully paid 1,000,100 (2014: 1,000,100) ordinary shares at £1 each	<u>450,100</u>	<u>1,000,100</u>

A share capital reduction of £550,000 occurred in April 2015. Please see note 6 for more information.

Oxford Brookes Enterprises Limited
Financial statements for the year ended 31 July 2015

Notes to the financial statements

12. Movement of shareholders' funds

	2015	2014
	£	£
Shareholders' funds at beginning of year	1,000,100	497,726
Gift aid paid from reserves following capital reduction	(458,355)	-
Profit for the financial year	686,300	1,078,451
Repayment of prior year distribution	584,921	
2014/15 provision for gift aid payment	(1,271,221)	(576,077)
Shareholders' funds at the end of year	<u>541,745</u>	<u>1,000,100</u>

13. Ultimate holding company and controlling party

The immediate parent undertaking is Oxford Brookes University. The ultimate parent undertaking and controlling party is Oxford Brookes University, a charity registered in the United Kingdom. Oxford Brookes University is the only parent to consolidate these financial statements at 31st July 2015. The consolidated financial statements of Oxford Brookes University are available from the Director of Finance, Gipsy Lane, Headington, Oxford, OX3 0BP.

14. Contingent liabilities

The company has a composite agreement with the parent institution, Oxford Brookes University, which gives a cross guarantee over certain banking facilities.

15. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 - Related Party Transactions not to disclose transactions with entities that are part of the group on the basis that the consolidated financial statements in which the company is included are publicly available.

No related party transactions with relevant individuals have been identified.

16. Staff Costs

No staff are employed by the company. Staff costs during the year represent recharges from Oxford Brookes University, the parent entity.