

Uclan Business Services Limited

Directors' report and financial statements

For the year ended 31 July 2019

Registered number 2340053

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Uclan Business Services Limited

Directors' report and financial statements

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Uclan Business Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2019.

Principal activities

The Company's principal activities are the provision of commercial services to support the University of Central Lancashire, its ultimate parent company. The range of commercial work undertaken is broad, covering training, consultancy, event organisation and hosting as well as providing other products and services. Sales are primarily to external customers and charges predominantly come from the subcontracting of services.

Business review

Turnover for the financial year was £604,333, reflecting a significant decrease from the turnover reported in 2017/18. This was due to a one-off contract in 2017/18 that was substantially completed in year with a small volume of residual activity in 2018/19. This contract accounts for £101,600 of the total turnover in the 2018/19 year. The remainder of the activity delivered in the year was slightly lower than has been the case in previous years.

Financial projections for 2019/20 reflect a slightly lower level of turnover at a similar or slightly improved gross margin. This reflects the long-term trend in activity as well as the limited incentives for UCLan staff to engage in commercial activities delivered through the Company. The Directors are exploring options for creating incentives in order to generate new business and particularly to capitalise on opportunities to exploit Intellectual Property created in the course of the University's research activity.

Results

The Company's turnover was £604,333 (2018: £3,034,189) of which £250,551 was earned from consultancy (2018: £39,786) and £353,782 from education and training (2018: £2,994,403). The Company's cost of sales for the year were £491,784 (2018: £915,379) and administrative expenses were £6,037 (2018: £183,180), resulting in a net profit of £117,518 (2018: £1,939,581) after interest receivable and tax.

Fixed assets

No fixed assets were held during the period.

Investments

The Company owns 100% of Uclan Dental Clinic Limited, a subsidiary created to support UCLan's Dental School in professional training along with providing dental services to students, staff and the local community. In 2017/18, a strategic review of the company's activities was undertaken and the directors agreed that a change of focus was required. Uclan Dental Clinic Limited was set up as a commercial venture but has operated at a loss since inception due to it being unable to secure the large commercial contracts it envisaged and thereby receiving only a limited supply of patients with whom students could gain supervised experience. The directors therefore decided to discontinue with the commercial venture and to close the Company, however, although the Company is to close, a new social enterprise company will replace it delivering all its services and bringing substantial increases to income through student fees which will cover all costs of the clinic. A new company has been incorporated and the process of obtaining the necessary professional approvals to enable and complete the transition is in progress.

Uclan Business Services Limited

Directors' report *(continued)*

Shareholdings

The Company has issued share capital of 500 £1 ordinary shares. These shares are owned by Centralan Holdings Limited.

Directors and directors' interests

The directors in office during the year were as follows:

S Crean
A Jones (resigned 2 November 2018)
D Kovvuri
J Lonsdale (resigned 12 September 2018)
D Waller (appointed 14 September 2018)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Charitable and political contributions

Each year, the Company normally makes provision for payment of its taxable profit to its ultimate parent undertaking, under a deed of covenant. During the year an amount of £2,028,560 was paid in respect of profits from the previous year and nothing has been provided in respect of profits in 2018/19 as the tax liability will be offset by reliefs from other companies within the University of Central Lancashire group.

By order of the board



I Fisher
Company Secretary
University of Central Lancashire
Preston
PR1 2HE

9 October 2019

Uclan Business Services Limited

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

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

Uclan Business Services Limited

Independent auditor's report to the members of Uclan Business Services Limited

Opinion

We have audited the financial statements of Uclan Business Services Limited ("the company") for the year ended 31 July 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditors report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Uclan Business Services Limited

Independent auditor's report to the members of Uclan Business Services Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

17 OCTOBER 2019

Uclan Business Services Limited

Profit and Loss Account for the year ended 31 July 2019

Continuing Operations

	Note	2019	2018
		£	£
Turnover		604,333	3,034,189
Cost of sales		(491,784)	(915,379)
Gross profit		112,549	2,118,810
Administrative expenses	5	(6,037)	(183,180)
Operating profit		106,512	1,935,630
Interest receivable and similar income	2	12,806	3,651
Profit on ordinary activities before taxation		119,318	1,939,281
Tax on profit on ordinary activities	6	(1,800)	-
Profit for the financial year		117,518	1,939,281

Uclan Business Services Limited

Balance Sheet As at 31 July 2019

	Note	As at 31 July 2019		As at 31 July 2018	
		£	£	£	£
Fixed Assets					
Investments	7		-		-
Current assets					
Debtors	8	97,707		167,777	
Cash at bank and in hand		374,478		2,937,163	
		<u>472,185</u>		<u>3,104,940</u>	
Creditors: amounts falling due within one year	9	<u>(225,005)</u>		<u>(2,975,278)</u>	
Net current assets			247,180		129,662
Net assets			<u>247,180</u>		<u>129,662</u>
Capital and reserves					
Share capital	10		500		500
Profit and loss account			246,680		129,162
Shareholders funds			<u>247,180</u>		<u>129,662</u>

These financial statements were approved by the board of directors on 9 October 2019 and were signed on its behalf by:

D Kovvuri
Director



S Crean
Director



Registered number 2340053

Uclan Business Services Limited

Statement of Changes in Equity for the year ended 31 July 2019

	Share Capital	P&L Account	Total
	£	£	£
Balance at 1 August 2017	500	218,441	218,941
Total comprehensive income for the year			
Profit for the year	-	1,939,281	1,939,281
Transactions recorded directly in equity			
Gift-aid payment	-	(2,028,560)	(2,028,560)
Balance at 31 July 2018	500	129,162	129,662
Balance at 1 August 2018	500	129,162	129,662
Total comprehensive income for the year			
Profit for the year after tax	-	117,518	117,518
Transactions recorded directly in equity			
Gift-aid payment	-	-	-
Balance at 31 July 2019	500	246,680	247,180

Uclan Business Services Limited

Notes (forming part of the financial statements)

1 Accounting policies

Uclan Business Services Limited is a company limited by shares and incorporated and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling.

The company has reflected amendments permitted under FRS102 paragraphs 29.14A and 29.22A which relate to gift aid payments made within charitable groups which have been adopted.

The Company's ultimate parent undertaking, the University of Central Lancashire Higher Education Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of the University of Central Lancashire Higher Education Corporation are available to the public and may be obtained from the University Finance Director, University of Central Lancashire, Adelphi Building, Preston, PR1 2HE. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.
- Key management personnel compensation

Tangible fixed assets

The Company has no fixed assets.

Turnover

Turnover represents the invoiced amount of completed services provided. In the case of incomplete contracts, turnover represents an assessment of the value of the work done during the financial year.

Cost of sales

The Company employs the University of Central Lancashire to provide services to its clients as well as incurring costs directly. The Company is charged on a full cost recovery basis for any services provided by the University of Central Lancashire.

Uclan Business Services Limited

Notes (continued)

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

2 Profit for the financial year

	2019	2018
	£	£
<i>Profit for the financial year is stated after charging:</i>		
Auditor's remuneration for audit services	3,300	3,200
Auditor's remuneration for non-audit services	1,380	1,340
<i>after crediting:</i>		
Interest receivable	12,195	3,651

3 Remuneration of directors

No directors received any emoluments during the year (2018: £Nil). All of the directors are employed by the University of Central Lancashire.

4 Staff numbers

The Company did not directly employ any staff. All staff resources are purchased from the University of Central Lancashire.

5 Administrative expenses

	2019	2018
	£	£
Salaries and administrative costs	13,201	24,953
Group management charge	-	34,041
Auditor's remuneration	4,680	4,540
Movement in bad debt provision	(11,844)	34,298
Write off of intercompany balances	-	85,348
	<u>6,037</u>	<u>183,180</u>

Uclan Business Services Limited

Notes (continued)

6 Tax

	2019 £	2018 £
Analysis of tax charge for the year		
Current tax	1,800	-
Deferred tax	-	-
Tax on profit on ordinary activities	<u>1,800</u>	<u>-</u>
Profit on ordinary activities before tax	119,318	1,939,281
Tax on profit on ordinary activities at standard rate of 19% (2018: 19%)	22,670	368,463
Effects of:		
Expenses not deductible for tax purposes	46	16,216
Deferred Tax not recognised	(2,697)	668
Amount charged directly to equity	-	(385,426)
Group relief claimed	(17,903)	-
Adjust opening/closing deferred tax to average rate	<u>(316)</u>	<u>79</u>
Tax charge for year	<u>1,800</u>	<u>-</u>

There is a deferred tax asset as at 31 July 2019 of £1,630 (2018: £2,813) which has not been recognised, because it is unlikely to crystallise.

7 Fixed asset investment

The fixed asset investment comprises:

	Country of Incorporation	Principle Activity	Percentage of Shares Held	Value of Shares Held	
				2019 £	2018 £
Subsidiary undertaking					
Uclan Dental Clinic Limited	UK	Dentistry	100%	-	-

The Company undertook a review of its investment in Uclan Dental Clinic in 2014 and considered it prudent and appropriate to make full provision for the value of the investment in its financial statements.

Uclan Business Services Limited

Notes (continued)

8 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	88,274	133,945
Prepayments and accrued income	9,433	33,832
	<u>97,707</u>	<u>167,777</u>

9 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	28,446	18,972
Amounts owed to group undertakings	112,208	619,211
Net VAT Due	3,893	38,691
Gift-aid payment	-	2,028,560
Accruals and deferred income	80,458	269,845
	<u>225,005</u>	<u>2,975,278</u>

10 Called up share capital

	2019	2018
	£	£
Allotted, called up		
Ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

11 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a wholly owned subsidiary undertaking of Centralan Holdings Limited incorporated in England and Wales. The ultimate parent Company is the University of Central Lancashire Higher Education Corporation incorporated in England and Wales. In accordance with section 33.1a of FRS 102, Related Party Disclosures, the Company is exempt from disclosing details of arrangements with other companies in the University of Central Lancashire group.

The largest and smallest group in which the results of the Company are consolidated is that headed by the University of Central Lancashire Higher Education Corporation. The consolidated financial statements of the University may be obtained from:

University Finance Director
University of Central Lancashire
Adelphi Building
Preston PR1 2HE