

UCLan Business Services Limited

Directors' report and financial statements

For the year ended 31 July 2022

Registered number 2340053



UCLan Business Services Limited

Directors' report and financial statements

Contents

<u>Directors' report</u>	2
<u>Statement of Directors' Responsibilities</u>	4
<u>Independent auditor's report to the members of Uclan Business Services Limited</u>	5
<u>Profit and Loss Account</u>	9
<u>Balance Sheet</u>	10
<u>Statement of Changes in Equity</u>	11
<u>Notes (forming part of the financial statements)</u>	12

UCLan Business Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2022.

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 has increased by 18.3% which reflects the company's continued recovery from the constraints imposed on activities due to the global COVID-19 pandemic and also the diversification of activities undertaken in order to generate new revenue streams.

Financial projections for 2022/23 reflect turnover maintained at similar levels, which is also consistent with performance seen in pre-COVID years and reflects business development activity that is already underway.

A key strategy for the next financial year is to highlight existing University-held patents that possess investable opportunities to the outside business/investment environment. A scoping piece of work has been commissioned which will be available in early 2023.

Results

The Company's turnover was £679,596 (2021: £574,436) of which £442,632 was earned from consultancy (2021: £336,975) and £78,830 from education and training (2021: £35,512). The Company's cost of sales for the year were £540,339 (2021: £408,762) and administrative expenses were £35,142 (2021: £46,253), resulting in a profit of £106,541 (2021: £119,437) after interest receivable and tax. Whilst reduced on the prior year, the gross profit margin of 20.5% (2021: 28.8%) and operating profit margin of 15.3% (2021: 20.8%) both continue to demonstrate a strong performance by the Company.

Fixed assets

No fixed assets were held during the period.

Investments

The Company's 100% ownership of UCLan Dental Clinic Limited was formally ended in June 2022 when the winding up of the latter was completed. Much of the activity of UCLan Dental Clinic Limited has, since October 2019, been refocused through a new social enterprise, UCLan Community Dentists Limited. As it is not a commercial venture, UCLan Community Dentists Limited is not owned by the Company. The company currently has no other investments.

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
D Kovvuri
D Waller

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 auditor

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 auditor is 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 £124,522 was paid in respect of profits from the prior year. An amount of £93,115 has been provided for in creditors in respect of profits from the current year, payable in 2022/23.

By order of the board



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

26 January 2023

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 2022 which comprise the Profit and Loss Account, 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 2022 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

UCLan Business Services Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Group Audit Committee and Company Secretary as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Group audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because due to the nature and scope of the company's activities, there are no perceived pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. This included out of balance journals and journals recorded at the end of the reporting period with limited narrative description.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

UCLan Business Services Limited

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' Report

The directors are responsible for the other information, which comprises the Directors' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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.

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:

- the company has not kept adequate accounting records 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors (who are also the directors of the company for the purposes of company law) 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.

UCLan Business Services Limited

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 its 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

10 February 2023

UCLan Business Services Limited

Profit and Loss Account for the year ended 31 July 2022

Continuing Operations

	Note	2022	2021
		£	£
Turnover		679,596	574,436
Cost of sales		(540,340)	(408,761)
Gross profit		139,256	165,675
Administrative expenses	2, 5	(35,142)	(46,253)
Operating profit		104,114	119,422
Interest receivable and similar income		1,426	15
Profit on ordinary activities before taxation		105,540	119,437
Tax on profit on ordinary activities	6	1,000	-
Profit for the financial year		106,540	119,437

The accompanying notes form an integral part of these financial statements.

UCLan Business Services Limited

Balance Sheet As at 31 July 2022

	Note	As at 31 July 2022		As at 31 July 2021	
		£	£	£	£
Current assets					
Debtors	8	113,819		49,293	
Cash at bank and in hand		947,151		574,684	
			1,060,970		623,977
Creditors:					
amounts falling due within one year	9	820,634		405,712	
Net current assets			240,336		218,266
Net assets			<u>240,336</u>		<u>218,266</u>
Capital and reserves					
Share capital	10	500		500	
Profit and loss account		239,836		217,766	
Shareholders funds			<u>240,336</u>		<u>218,266</u>

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the board of directors on 26 January 2023 and were signed on its behalf by:

D Sharma
D Kovvuri

D Waller

D Kovvuri
Director

D Waller
Director

Registered number 2340053

UCLan Business Services Limited

Statement of Changes in Equity for the year ended 31 July 2022

	Share Capital	P&L Account	Total
	£	£	£
Balance at 1 August 2020	500	240,293	240,793
Total comprehensive income for the year			
Profit for the year	-	119,437	119,437
Transactions recorded directly in equity			
Gift-aid payment	-	(141,964)	(141,964)
Balance at 31 July 2021	500	217,766	218,266
Balance at 1 August 2021	500	217,766	218,266
Total comprehensive income for the year			
Profit for the year after tax	-	106,540	106,540
Transactions recorded directly in equity			
Gift-aid payment – current year	-	(93,115)	(93,115)
Gift-aid adjustment – prior year	-	8,645	8,645
Balance at 31 July 2022	500	239,836	240,336

The accompanying notes form an integral part of these financial statements.

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 Chief Finance Officer, University of Central Lancashire, 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.

Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors plan for a period of 12 months from the date of approval of these financial statements which indicates that, taking account of severe but plausible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

2 Profit for the financial year

	2022	2021
	£	£
<i>Profit for the financial year is stated after charging:</i>		
Auditor's remuneration for audit services	3,605	7,000

3 Remuneration of directors

No directors received any emoluments during the year (2021: £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

	2022	2021
	£	£
Salaries and administrative costs	7,300	13,212
Professional Services	6,553	6,041
Auditor's remuneration	3,605	7,000
Movement in bad debt provision	17,684	20,000
	35,142	46,253

UCLan Business Services Limited

Notes (continued)

6 Tax

	2022 £	2021 £
Analysis of tax charge for the year		
Current year	436	-
Foreign tax	(1,436)	1,000
Prior year	1,000	-
Double taxation relief – current year	-	(1,000)
Double taxation relief – prior year	(1,000)	-
Tax on profit on ordinary activities	<u>(1,000)</u>	<u>-</u>
 Profit on ordinary activities before tax	 105,541	 119,437
 Tax on profit on ordinary activities at standard rate of 19% (2021: 19%)	 20,053	 22,693
Effects of:		
Expenses not deductible for tax purposes	(1,000)	2,074
Current and historic capital allowances	(627)	-
Amount charged directly to equity	(17,692)	(25,302)
Deferred Tax not recognised	(851)	811
Remeasurement of deferred tax for changes in tax rates	204	(276)
Group relief claimed	(897)	-
Adjustment to prior year tax	(190)	-
Tax charge for year	<u>(1,000)</u>	<u>-</u>

There is a deferred tax asset as at 31 July 2022 of £300 (2021: £1,151) which has not been recognised, because it is unlikely to crystallise.

7 Fixed asset investment

In October 2019 UCLan Dental Clinic Limited, in which the Company owned a 100% shareholding, ceased trading. UCLan Dental Clinic Limited was formally wound up in June 2022.

UCLan Business Services Limited

Notes (continued)

8 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	84,238	24,666
Prepayments and accrued income	29,581	24,627
	<u>113,819</u>	<u>49,293</u>

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,685	-
Amounts owed to group undertakings	178,779	22,009
Net VAT Due	34,436	8,717
Gift-aid payment	93,115	141,964
Accruals and deferred income	511,619	233,022
	<u>820,634</u>	<u>405,712</u>

10 Called up share capital

	2022	2021
	£	£
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 Chief Finance Officer
University of Central Lancashire
Preston PR1 2HE