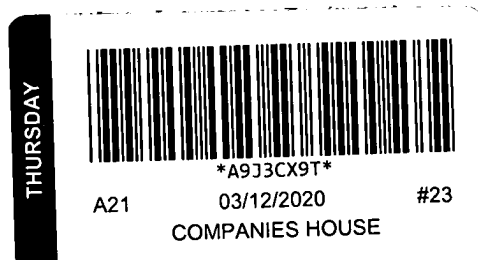


# **LEEDS BECKETT UNIVERSITY ENTERPRISES LIMITED**

## **ANNUAL REPORT OF THE DIRECTORS & FINANCIAL STATEMENTS**

**For the year ended 31 July 2020**



## CONTENTS

---

Company Information	page 1
The Directors' Report	page 2
Independent Auditor's Report	page 4
Statement of Accounting Policies	page 7
Statement of Comprehensive Income	page 9
Statement of Financial Position	page 10
Statement of Changes in Equity	page 11
Notes to the Financial Statements	page 12

## COMPANY INFORMATION

---

Directors                      Mr Phil Harrison  
                                        Professor Peter Slee  
                                        Ms Jean Brady (resigned 31 August 2020)  
                                        Mr Alan Gay (appointed 20 October 2020)

Registered Office              Rose Bowl  
                                        Portland Crescent  
                                        Leeds  
                                        LS1 3HB

Registered Number            02369724

Auditors                        BDO LLP  
                                        Two Snowhill  
                                        Birmingham  
                                        B4 6GA

Bankers                         Lloyds Bank  
                                        Leeds City Centre  
                                        65-68 Briggate  
                                        Leeds  
                                        West Yorkshire  
                                        LS1 6LH

## THE DIRECTORS' REPORT

---

The directors present their report and the audited financial statements of the company, whose registered number is 02369724, for the year ended 31 July 2020.

### Company Information

Leeds Beckett University Enterprises Limited is a private company which is limited by guarantee and incorporated in England and Wales. The address of its registered office is Rose Bowl, Portland Crescent, Leeds LS1 3HB.

### Principal Activities and Business Review

The main areas of activity of the company are the undertaking of consultancy work, the organisation of conferences and the provision of conference facilities. There have been no significant changes to the business since the balance sheet date.

### Results of the year

The results of the year provided an operating profit of £4,546,328 (2019: £1,613,306) which was paid to the ultimate holding corporation under gift aid.

### Directors

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

Mr Phil Harrison  
Professor Peter Slee  
Ms Jean Brady (resigned 31 August 2020)  
Mr Alan Gay (appointed 20 October 2020)

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors 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 elected to prepare 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **THE DIRECTORS REPORT**

---

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.

### **Going concern**

In preparing the financial statements, the directors have considered whether the going concern basis of preparation is appropriate. This assessment has focussed on the transactional cashflows between the company and its parent, Leeds Beckett University, which manages the company's treasury function. The nature of the company's activities are such that costs are recharged from the University based on activity levels and are fully variable. As such the company can ensure its cash position remains positive as costs can be reduced to virtually nil if necessary. As activity occurs during the year, cash accumulates before any gift aid payment is made. In addition, the company has no external funding or covenants.

Taking into account the above, the directors believe that whilst uncertainty exists in the current environment in relation to trading volumes, this does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. The directors therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that, as far as they are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent Auditors**

The auditors, BDO, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Directors' Report was approved by the Board of Directors on 19 November 2020 and was signed on its behalf by:

SIGNED:



PRINT NAME:

Phil Harrison

## INDEPENDENT AUDITOR'S REPORT

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEEDS BECKETT UNIVERSITY ENTERPRISES LIMITED

#### Opinion

We have audited the financial statements of Leeds Beckett University Enterprises Limited (the 'company') for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 Financial Reporting Standard 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## **INDEPENDENT AUDITOR'S REPORT**

---

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.

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the 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 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 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, 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.

## INDEPENDENT AUDITOR'S REPORT

---

### 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham, UK

Date: 27 November 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## **STATEMENT OF ACCOUNTING POLICIES**

---

### **Company Information**

Leeds Beckett University Enterprises Limited is a private company which is limited by guarantee and incorporated in England and Wales. The address of its registered office is Rose Bowl, Portland Crescent, Leeds LS1 3HB.

### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention, in accordance with Section 1A of Financial Reporting Standard 102 (FRS102) 'Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006.

### **Going concern**

In preparing the financial statements, the directors have considered whether the going concern basis of preparation is appropriate. This assessment has focussed on the transactional cashflows between the company and its parent, Leeds Beckett University, which manages the company's treasury function. The nature of the company's activities are such that costs are recharged from the University based on activity levels and are fully variable. As such the company can ensure its cash position remains positive as costs can be reduced to virtually nil if necessary. As activity occurs during the year, cash accumulates before any gift aid payment is made. In addition, the company has no external funding or covenants.

Taking into account the above, the directors believe that whilst uncertainty exists in the current environment in relation to trading volumes, this does not pose a material uncertainty that would cast doubt on the company's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. The directors therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

### **Recognition of Income**

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

### **Gift Aid**

When profits arise, the company transfers all of its taxable profit for the year to its ultimate holding corporation via Gift Aid.

### **Taxation**

There is no corporation tax charge because the company's taxable profit is reduced by the payment under Gift Aid to nil.

### **Cash**

Cash at Bank and in Hand includes cash in hand and deposits repayable within three months without penalty at the Statement of Financial Position date.

## STATEMENT OF ACCOUNTING POLICIES

---

### Accounting Estimates and Judgements

Debtors are reviewed annually and amounts which are deemed to be irrecoverable are written off, subject to approval of the Board of Directors. Remaining balances at the year-end are then reviewed on the basis that amounts that appear to be more than twelve months overdue are provided for. This is adjusted for specific circumstances, including adding in accounts that are less than twelve months overdue but are demonstrably not recoverable, and reduced by a percentage estimated to be recovered for some groups of overdue debt.

**STATEMENT OF COMPREHENSIVE INCOME**

	Note	Year ended 31 July 2020 £	Year ended 31 July 2019 £
Turnover	1	9,273,930	7,391,313
Cost of sales		<u>( 4,727,602)</u>	<u>( 5,778,007)</u>
Operating profit	3	<u>4,546,328</u>	<u>1,613,306</u>
Tax on Profit on ordinary activities	9	<u>-</u>	<u>-</u>
Profit for the financial year		<u>4,546,328</u>	<u>1,613,306</u>
Payment under Gift Aid		<u>( 4,546,328)</u>	<u>( 1,613,306)</u>
<b>Total comprehensive income for the year</b>		<u><b>-</b></u>	<u><b>-</b></u>

All items included in the Statement of Comprehensive Income relate to continuing operations.

**STATEMENT OF FINANCIAL POSITION**

	Note	As At 31 July 2020 £	As At 31 July 2019 £
<b>Current Assets</b>			
Debtors	4	283,326	1,314,857
<b>Creditors:</b> Amounts falling due within one year	5	<u>( 283,326)</u>	<u>( 1,314,857)</u>
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Profit and loss account		-	-
<b>Total Shareholders' funds</b>		<u>-</u>	<u>-</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard 102.

The financial statements on pages 9 to 12 were approved by the Board of Directors on 19 November 2020 and were signed on its behalf by:

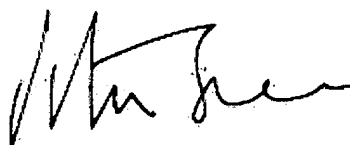
SIGNED:



PRINT NAME:

Phil Harrison

SIGNED:



PRINT NAME:

Peter Slee

**STATEMENT OF CHANGES IN EQUITY**

	Retained earnings £	Total equity £
<b>Opening balance at 1 August 2018</b>	-	-
Profit for the financial year	1,613,306	1,613,306
Gift aid payment	(1,613,306)	(1,613,306)
Total comprehensive income for the year	-	-
<b>Closing balance at 31 July 2019</b>	-	-
<b>Opening balance at 1 August 2019</b>	-	-
Profit for the financial year	4,546,328	4,546,328
Gift aid payment	(4,546,328)	(4,546,328)
Total comprehensive income for the year	-	-
<b>Closing balance at 31 July 2020</b>	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Turnover

The company's turnover, which excludes value added tax, arises from consultancy work, the organisation of conferences and the provision of conference facilities. The company has only one class of business. The analysis of turnover by geographical market has not been given.

### 2 Directors and Employees

#### Employees

No persons were employed by the company during the year (2019: none). The company made use of certain staff of its ultimate parent corporation, Leeds Beckett University, for which payment in the form of a management and an overhead charge was made for performance of the company's activities.

#### Directors' Emoluments

The directors did not receive any emoluments in respect of their services to the company (2019: nil).

### 3 Operating Profit

	<u>2020</u>	<u>2019</u>
	£	£
Operating Profit includes the following charges:		
Auditors' remuneration (for audit)	10,200	3,600
Management Charge	<u>161,400</u>	<u>158,800</u>

### 4 Debtors

	<u>2020</u>	<u>2019</u>
	£	£
Trade debtors	46,601	753,432
Amount owed by group undertakings	188,188	425,435
Prepayments and accrued income	<u>48,537</u>	<u>135,990</u>
	<u>283,326</u>	<u>1,314,857</u>

### 5 Creditors: Amounts falling due within one year

	<u>2020</u>	<u>2019</u>
	£	£
Trade Creditors	( 79,985)	( 942,005)
Accruals and deferred income	<u>( 203,341)</u>	<u>( 372,852)</u>
	<u>283,326</u>	<u>1,314,857</u>

### 6 Ultimate Parent Corporation

The immediate parent undertaking is Leeds Beckett University (Leeds Beckett University Higher Education Corporation). The ultimate parent undertaking and controlling party is Leeds Beckett University, established pursuant to the Education Reform Act 1988 and by Order of the Privy Council. Leeds Beckett University is the parent undertaking of both the largest and smallest group of undertakings to consolidate these financial statements at 31 July 2020. The consolidated financial statements of Leeds Beckett University are available from the University Secretary's Office, Leeds Beckett University, Old Broadcasting House, Room 107, City Campus, LS2 9EN.

### 7 Statement of Cash Flows

The company has taken advantage of the disclosure exemption in Financial Reporting Standard 102 from the requirement to publish a Statement of Cash Flows as these financial statements are included in the consolidated cash flow statement published by Leeds Beckett University and available as indicated in Note 6.

### 8 Related Party Transactions

Transactions with other group companies are not disclosed as the company has taken advantage of the disclosure exemption under Financial Reporting Standard 102, as the company is a wholly owned subsidiary of Leeds Beckett University and its results are included in the consolidated financial statements of Leeds Beckett University, which are available at the address in Note 6. The key management of Leeds Beckett University Enterprises Limited are the Directors.

### 9 Taxation

#### Reconciliation of total tax charge included in statement of comprehensive income

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.  
The difference is explained below:

Profit before tax	<u>4,546,328</u>	<u>1,613,306</u>
UK Corporation Tax Charged at 19%	863,802	306,528
Effects of Gift Aid to Parent Company	<u>( 863,802)</u>	<u>( 306,528)</u>
Total Tax Charge	<u>-</u>	<u>-</u>