

REGISTERED NUMBER: 02369724

LEEDS BECKETT UNIVERSITY ENTERPRISES LIMITED

ANNUAL REPORT OF THE DIRECTORS & FINANCIAL STATEMENTS

For the year ended 31 July 2018



<u>Contents</u>	<u>Page</u>
Report of the Directors	1
Independent Auditors' Report to the Members of Leeds Beckett University Enterprises Limited	2
Statement of Accounting Policies	4
Statement of Comprehensive Income & Expenditure	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company, whose registered number is 02369724, for the year ended 31 July 2018.

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 £1,026,916 [2017: £1,542,172] 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 Les Everett (resigned 9 February 2018)

Mr Steven Webb (appointed 1 August 2017 and resigned 13 October 2017)

Mr Phil Harrison

Professor Peter Slee

Ms Jean Brady (appointed 1 November 2017)

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, comprising Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102)). 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 comprising FRS 102 have been followed, subject to any material and explained in the financial statements;
- notify the parent, Leeds Beckett University regarding the use of disclosure exemptions, the University are fully aware of used in the preparation of the financial statements; and
- 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.

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.

Disclosure of information to auditors

Each of 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

Following a tender exercise undertaken by Leeds Beckett University, PricewaterhouseCoopers LLP resigned as auditors on 31 July 2018 and Ernst & Young LLP were appointed on 1 August 2018

Ernst & Young LLP 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.

BY ORDER OF THE BOARD


Stewart Harper
Company Secretary

25 October 2018
Date

Non-Publicly traded company preparing financial statements under the small companies' regime**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 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 10, 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 FRS 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 company's affairs as at 31 July 2018 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.

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 below. 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 this report, we do not express any form of assurance conclusion thereon.

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 the 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
- 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 directors' responsibilities statement set out on page 1, 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.

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 <https://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.

Ernst and Young LLP
28/11/2018

Stephen Clark (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

STATEMENT OF ACCOUNTING POLICIES**Basis of Accounting**

The financial statements have been prepared, in accordance with the Companies Act 2006 and Financial Reporting Standard 102, including the historical cost convention, on the going concern basis which assumes the continuing financial support of the ultimate parent, Leeds Beckett University Higher Education Corporation. The parent organisation has confirmed that this support will continue. These policies have been applied consistently through the year.

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 income and expenditure account 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 Balance Sheet date.

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 Governors. 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 & EXPENDITURE FOR THE YEAR ENDED 31 JULY 2018

	Note	Year ended 31 July 2018 £	Year ended 31 July 2017 £
Turnover	1	7,057,859	6,550,168
Cost of sales		<u>(6,030,943)</u>	<u>(5,007,996)</u>
Operating profit	3	<u>1,026,918</u>	<u>1,542,172</u>
Payment under Gift Aid		<u>(1,026,918)</u>	<u>(1,542,172)</u>
Tax on Profit on ordinary activities	9	<u>-</u>	<u>-</u>
Result for the financial year		<u><u>-</u></u>	<u><u>-</u></u>

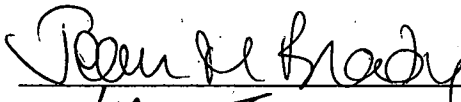
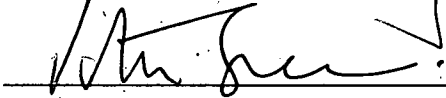
All items included in the Statement of Comprehensive Income relate to continuing operations.

BALANCE SHEET AS AT 31 JULY 2018

	Note	As At 31 July 2018 £	As At 31 July 2017 £
Current Assets			
Debtors	4	1,215,818	1,733,633
Creditors: Amounts falling due within one year	5	<u>(1,215,818)</u>	<u>(1,733,633)</u>
Net current assets		<u>-</u>	<u>-</u>
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Profit and loss account		-	-
Total Shareholders' funds		<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 5 to 8 were approved by the Board of Directors on 25 October 2018 and were signed on its behalf by:

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2018

	Share capital £	Retained earnings £	Total equity £
Opening balance at 1 August 2016	-	-	-
Changes in accounting policy Restated Balance	-	-	-
Changes in equity	-	-	-
Dividends	-	-	-
Total comprehensive income for the year	-	-	-
Closing balance at 31 July 2017	-	-	-
Opening balance at 1 August 2017	-	-	-
Changes in accounting policy Restated Balance	-	-	-
Changes in equity	-	-	-
Dividends	-	-	-
Total comprehensive income for the year	-	-	-
Closing balance at 31 July 2018	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018**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 [2017: none]. The company made use of certain staff of its ultimate parent corporation for which payment in the form 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 [2017: nil].

3 Operating Profit

	<u>2018</u>	<u>2017</u>
	£	£
Operating Profit includes the following charges:		
Auditors' remuneration (for audit)	3,600	3,390
Management Charge	<u>154,500</u>	<u>149,700</u>

4 Debtors

	<u>2018</u>	<u>2017</u>
	£	£
Trade debtors	347,519	348,996
Amount owed by group undertakings	593,038	1,323,368
Prepayments and accrued income	<u>275,262</u>	<u>61,268</u>
	<u>1,215,817</u>	<u>1,733,632</u>

5 Creditors: Amounts falling due within one year

	<u>2018</u>	<u>2017</u>
	£	£
Trade Creditors	(620,335)	-
Accruals and deferred income	<u>(595,482)</u>	<u>1,733,632</u>
	<u>1,215,817</u>	<u>1,733,632</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 2018. 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 Cash Flow Statement

The company has taken advantage of the disclosure exemption in Financial Reporting Standard 102 from the requirement to publish a Cash Flow Statement 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>1,026,918</u>	<u>1,542,172</u>
UK Corporation Tax Charged at 19.67%	201,995	303,345
Effects of Gift Aid to Parent Company	<u>(201,995)</u>	<u>(303,345)</u>
Total Tax Charge	<u>-</u>	<u>-</u>

10 Contingent Liability

A claim for unspecified damages was lodged during the financial year against LBUEL with regards to a historic contract dispute. LBUEL has disclaimed liability and is defending the action. Legal advice obtained indicates that it is unlikely that any significant liability will arise. The directors are of the view that no material losses will arise in respect of the legal claim at the date of these financial statements.