

LONDON METROPOLITAN UNIVERSITY ENTERPRISES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

Registered in the United Kingdom:
Registration number 2447470

Registered Office:
166-220 Holloway Road
London
N7 8DB



London Metropolitan University Enterprises Limited

Directors' Report and Financial Statements for the year ended 31 July 2016

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London Metropolitan University Enterprises Limited

Senior Officers and Advisers for the year ended 31 July 2016

Directors

Professor John Raftery
Pam Nelson
Paul Bowler - resigned 30 September 2016

Company Secretary

Peter Garrod

External Auditors

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Internal Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

VAT Advisors

Ellis Chapman & Associates
Pioneer House
Pioneer Business Park
North Road
Ellesmere Port
Cheshire CH65 1AD

Bankers

Barclays Bank plc
Holloway & Kingsland Business Centre
London E8 2JK

London Metropolitan University Enterprises Limited

Directors' Report

The directors present their report and audited financial statements for the year ended 31 July 2016.

1. Review of Activities

London Metropolitan University Enterprises Limited is a company limited by shares and a wholly owned subsidiary of London Metropolitan University.

On 1 August 2014 London Metropolitan University Enterprises Ltd ceased trading. The company held the lease to an overseas office in China until 23 December 2015.

The company's profit and loss account for the year ended 31 July 2016 showed a net loss of £189k (2015: net profit £462k). The loss had arisen following a VAT repayment that was due when the MetWorks building, which was held on a long lease by the company, was transferred and then sold by London Metropolitan University in 2014-15. VAT of £199k was paid in August 2016. The company also wrote off a historic inter-company account balance of £10k.

The directors do not recommend the payment of a dividend.

2. Directors

The following directors served during the year:

Professor John Raftery
Pam Nelson
Paul Bowler - resigned 30 September 2016

3. Directors' Responsibilities for preparation of the Financial Statements

The directors are responsible for preparing the Annual 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 the law the directors have to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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. The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently; prudent judgments and estimates have been made and applicable accounting standards have been followed in preparing the financial statements for the year ended 31 July 2016.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

London Metropolitan University Enterprises Limited

Directors' Report

4. Auditors

A resolution regarding the re-appointment of KPMG LLP as auditors will be moved at the next Annual General Meeting.

5. Small Entity Exemptions

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

By order of the Board



Peter Garrod

Company Secretary

166-220 Holloway Road
London N7 8DB

28 November 2016

Registration number 2447470

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON METROPOLITAN UNIVERSITY ENTERPRISES LIMITED

We have audited the financial statements of London Metropolitan University Enterprises Limited for the year ended 31 July 2016 set out on pages 7 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its position for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in the report; and
- in our opinion, the report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirements to prepare a strategic report.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note.



Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

30 November 2016

London Metropolitan University Enterprises Limited

Profit and Loss Account for the year ended 31 July 2016

	NOTE	2016 £'000	2015 £'000
Turnover		0	0
Cost of sales		0	0
Gross profit		0	0
Other income	2	0	239
Other expenditure		(189)	(187)
(Loss)/profit on ordinary activities before interest and exceptional items		(189)	52
Interest payable to group undertakings		0	(3)
Profit on disposal of long leasehold property		0	282
Profit on disposal of equipment		0	131
(Loss)/profit on ordinary activities before taxation	3	(189)	462
Taxation	4	0	0
(Loss)/profit on ordinary activities after taxation for the year		(189)	462
Movement on Profit and Loss account			
Loss brought forward		(228)	(690)
(Loss)/profit for the year		(189)	462
Loss carried forward		(417)	(228)

The company has no recognised gains or losses other than those dealt with in the Profit and Loss Account.
The notes on pages 9 to 12 form part of the financial statements.

There is no difference between the loss on ordinary activities before taxation and the retained loss reported above and the historical cost equivalent figures.

London Metropolitan University Enterprises Limited

Balance Sheet as at 31 July 2016

	NOTE	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Current Assets					
Trade and other receivables	5	0		225	
Cash and cash equivalents		232		23	
		<u>232</u>		<u>248</u>	
Creditors					
Amounts falling due within one year	6	(199)		(26)	
		<u></u>		<u></u>	
Total Assets Less Current Liabilities			33		222
			<u></u>		<u></u>
Total Net Assets			33		222
			<u></u>		<u></u>
Capital and Reserves					
Called up share capital	7		450		450
Profit and Loss account	10		(417)		(228)
			<u></u>		<u></u>
Shareholders' Funds			33		222
			<u></u>		<u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

The financial statements on pages 7 to 12 were approved by the Board of Directors and signed on its behalf on 28 November 2016 by:

Pam Nelson

Pam Nelson
Director

London Metropolitan University Enterprises Limited

Notes to the Financial Statements for the year ended 31 July 2016

1. Principal Accounting Policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

These financial statements have not been prepared on a going concern basis as the company ceased trading on 1 August 2014.

Turnover

Turnover represents the invoiced value of goods and services supplied during the year exclusive of value added tax.

Income Recognition

Grants for specific purposes, including research grants and contracts, are included in income to the extent that expenditure is incurred during the financial year, together with any related contributions towards overhead costs. Deferred credits, which are attributable to subsequent financial years, are included in creditors under the classification of accruals and deferred income.

Cost of Sales

Cost of sales represents the cost of providing goods and services to customers and is distinguished from administrative expenditure which represents the costs of administrative and marketing support together with depreciation on fixed assets.

Taxation Status

The company is subject to corporation tax and VAT in the same way as any commercial organisation.

All profits of the company are paid under Gift Aid to London Metropolitan University, and therefore no liability to taxation arises on the profits in any given year. London Metropolitan University is an exempt charity.

Cash Flow Statement

No cash flow statement has been included in the financial statements as the company is a wholly-owned subsidiary undertaking of London Metropolitan University, whose consolidated financial statements include a consolidated cash flow statement.

Bad Debt Provision

Debtors are shown in the balance sheet net of provision for doubtful debts. The basis of calculation of the provision is reviewed each year end to reflect current levels of debt recovery.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that leaves a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

London Metropolitan University Enterprises Limited

Notes to the Financial Statements for the year ended 31 July 2016

2. Other Income

	2016 £'000	2015 £'000
Deferred capital grant released - buildings	0	239
	<u>0</u>	<u>239</u>

3. (Loss)/Profit on Ordinary Activities before Taxation

	2016 £'000	2015 £'000
This is stated after charging:		
Auditor's remuneration	0	6
Depreciation	0	15
Operating lease rentals	0	0
	<u>0</u>	<u>0</u>

Auditor's remuneration of £500 excluding VAT was paid by the parent company, London Metropolitan University.

4. Taxation

No charge to taxation has arisen, as a loss was generated in 2016 and 2015.

5. Debtors

	2016 £'000	2015 £'000
Due from group undertakings	0	225
	<u>0</u>	<u>225</u>

6. Creditors: Amounts due within one year

	2016 £'000	2015 £'000
VAT	199	26
	<u>199</u>	<u>26</u>

London Metropolitan University Enterprises Limited

Notes to the Financial Statements for the year ended 31 July 2016

7. Called Up Share Capital

	2016 £'000	2015 £'000
Authorised, issued and fully paid: 450,000 Ordinary Shares of £1 each	450	450

8. Employee Information

No staff were employed by London Metropolitan University Enterprises Limited during the year. Staff are employed by the parent company (London Metropolitan University) and costs recharged to London Metropolitan University Enterprises Limited.

No director received any remuneration for services as a director, or has any financial interest in any contract of the company.

9. Reconciliation of Movements in Shareholder's Funds

	2016 £'000	2015 £'000
Shareholders Funds at 1st August	222	(240)
Movement in the the year	(180)	462
Shareholders funds at 31 July	42	222

10. Movement in Reserves

	2016 £'000	2015 £'000
Loss at 1 August	(228)	(690)
(Loss)/profit for the financial year	(189)	462
Retained loss at 31 July	(417)	(228)

London Metropolitan University Enterprises Limited

Notes to the Financial Statements for the year ended 31 July 2016

11. Ultimate Controlling Undertaking

The Directors consider that the parent and the ultimate controlling undertaking is London Metropolitan University by virtue of London Metropolitan University's majority shareholding in the Company. The largest and smallest group of undertakings for which group financial statements are drawn up is that headed by London Metropolitan University. The financial statements for London Metropolitan University can be obtained from the University website.

12. Related Party Disclosures

The Company has taken advantage of the exemption in FRS 102 by which a 100% owned subsidiary undertaking does not need to disclose transactions with entities that are part of the same group, whose results are included in the publicly available financial statements of the group.

London Metropolitan University is a Company Limited by Guarantee and does not have share capital. It is registered in the United Kingdom. Its Registered Office is:

166-220 Holloway Road
London N7 8DB

London Metropolitan University is an exempt charity under the Charities Act 2011. The results of the company are included in the consolidation of the group.