

Company number: 2714181

KING'S COLLEGE LONDON BUSINESS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 July 2019



KING'S COLLEGE LONDON BUSINESS LIMITED

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For the year ended 31 July 2019

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KING'S COLLEGE LONDON BUSINESS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr S Large
Mr N Leake
Mr C Mottershead
Dr I Tebbett

COMPANY SECRETARY

Mr Simon Cruickshank (Appointed 23 July 2019)

REGISTERED OFFICE

King's College London
James Clerk Maxwell Building
57 Waterloo Road
London
SE1 8WA

AUDITOR

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

SOLICITORS

Mills & Reeve
Botonic House
100 Hills Road
Cambridge CB2 1PH

KING'S COLLEGE LONDON BUSINESS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

The company is limited by shares, and is registered and domiciled in England and Wales.

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

Principal Activity

The principle activity of the company during the year was the provision of information technology support to King's College London.

Results and Dividends

The result for the year, after taxation, was £nil (2018 - £nil). Accordingly the directors do not propose a dividend.

Charitable donations

Each year, the company will make a provision for the payment of its taxable profit to its parent undertaking under the Gift Aid scheme. During the year an amount of £nil (2018 - £nil) was provided.

Review of the Business and Future Prospects

Both the level of business and the year end position were satisfactory. The directors expect that the present level of activity will be sustained in the foreseeable future.

For the reasons given in Note 3, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and they have therefore prepared the financial statements on a going concern basis.

Directors

The directors holding office during the year and to the date of this report are shown on page 2. None of the directors had any beneficial interests in the shares of the company at any time during the year.

Small companies' exemption

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and and KPMG LLP will therefore continue in office.

KING'S COLLEGE LONDON BUSINESS 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Disclosure of information to auditor

In the case of each of the person who are directors at the time when the report is approved, under Section 418 of the Companies Act 2006 the following applies;

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

By order of the Board,


S Large, Director

28 January 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS KING'S COLLEGE LONDON BUSINESS LIMITED

Opinion

We have audited the financial statements of King's College London Business Limited ("the company") for the year ended 31 July 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Change in Equity and related notes, including the accounting policies in note 3.

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 results 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S COLLEGE LONDON BUSINESS LIMITED continued

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 auditor's 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.

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
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KING'S COLLEGE LONDON
BUSINESS LIMITED continued**

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 <http://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.



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

14 February 2020

KING'S COLLEGE LONDON BUSINESS LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2019

	<i>Note</i>	2018/19	2017/18
		£	£
Turnover	5	6,309,315	4,604,586
Cost of sales		(5,423,381)	(4,025,134)
Gross profit		<u>885,934</u>	<u>579,452</u>
Administrative expenses		(786,260)	(478,863)
Depreciation	8	(100,931)	(100,930)
Interest receivable on bank deposits		1,257	341
Profit before taxation		<u>-</u>	<u>-</u>
Taxation on profit	11	-	-
Profit after taxation		<u>-</u>	<u>-</u>

All results derive from continuing activities.

There were no items of Other Comprehensive Income in either 2018/19 or 2017/18

KING'S COLLEGE LONDON BUSINESS LIMITED

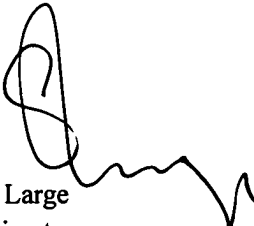
Company number: 2714181

BALANCE SHEET*As at 31 July 2019*

	<i>Note</i>	2019 £	2018 £
Fixed assets			
Tangible assets	8	<u>276,333</u>	<u>377,264</u>
Current assets			
Debtors	9	877,833	3
Cash at bank		<u>520,017</u>	<u>183,454</u>
		<u>1,397,850</u>	<u>183,457</u>
Creditors:			
Amounts falling due within one year	10	<u>(1,648,449)</u>	<u>(534,987)</u>
Net assets		<u>25,734</u>	<u>25,734</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		<u>25,732</u>	<u>25,732</u>
Total shareholder's funds		<u>25,734</u>	<u>25,734</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

The Financial Statements on pages 8 to 15 were approved by the Board of Directors on 28 January 2020, and were signed on its behalf;


S Large
Director

KING'S COLLEGE LONDON BUSINESS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 July 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2017	2	25,732	25,734
Profit after taxation	-	-	-
Total comprehensive income for the year	-	-	-
At 31 July 2018	<u>2</u>	<u>25,732</u>	<u>25,734</u>

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2018	2	25,732	25,734
Profit after taxation	-	-	-
Total comprehensive income for the year	-	-	-
At 31 July 2019	<u>2</u>	<u>25,732</u>	<u>25,734</u>

KING'S COLLEGE LONDON BUSINESS LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 July 2019

1. General information

King's College London Business Limited is a company limited by shares, domiciled in England and Wales, registration number 2714181. The registered office is King's College London, James Clerk Maxwell Building, 57 Waterloo Road, London, SE1 8WA.

2. Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Companies Act 2006.

The functional and presentational currency of the company is Pounds Sterling, the currency of the United Kingdom the primary economic environment the company operates in.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

Notwithstanding net current liabilities of £251k as at 31 July 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its immediate parent, King's College London to meet its liabilities as they fall due for that period.

Those forecasts are dependent on King's College London not seeking repayment of the amounts currently due to the group, which at 31 July 2019 amounted to net £519k, and providing additional financial support during that period. King's College London has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement

KING'S COLLEGE LONDON BUSINESS LIMITED

NOTES TO THE ACCOUNTS continued

For the year ended 31 July 2019

or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3. Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent entity, King's College London, includes the company's cash flows in its own consolidated financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the company.

The company follows the generally accepted practice of reporting income from long term contracts on the percentage of completion basis including attributable profit as work is certified and provides for all known losses on such contracts.

Employee benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the period in which the service is received.

Long-term employee benefits

The company contributes to a defined contribution pension plan. The contributions are recognised as an expense in the period in which the related service is provided.

Gift Aid

The directors consider any Gift Aid payment to be a distribution rather than an expense, it is presented outside of the profit and loss account as an adjustment to profit taken to retained earnings.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current tax, including UK corporation tax, is the amount payable in respect of the taxable profit for the year and prior years. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax arises 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.

KING'S COLLEGE LONDON BUSINESS LIMITED

NOTES TO THE ACCOUNTS continued

For the year ended 31 July 2019

3. Summary of significant accounting policies (continued)

Tangible fixed assets

Depreciation is provided on cost in equal instalments over the estimated lives of the assets. The annual rates of depreciation are, furniture and equipment 20% per annum and plant and machinery 10% per annum.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

4. Judgements in applying accounting policies and key sources of estimation

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

5. Turnover

	2018/19 £	2017/18 £
Provision of information technology services	<u>6,309,315</u>	<u>4,604,586</u>

All turnover, stated net of value added tax, is derived from continuing activities performed in the United Kingdom.

6. Profit is stated after charging:

	2018/19 £	2017/18 £
Depreciation of tangible assets	100,931	100,930
Auditors' remuneration: Audit of these financial statements	<u>2,650</u>	<u>2,550</u>

KING'S COLLEGE LONDON BUSINESS LIMITED

NOTES TO THE ACCOUNTS continued

For the year ended 31 July 2019

7. Information regarding directors and employees

The directors received no emoluments during the year (2016 : nil).

	2018/19 No.	2017/18 No.
Average number of staff employed during the year	<u>123</u>	<u>87</u>

Employee costs during the year:

	2018/19 £	2017/18 £
Wages and salaries	4,651,667	3,493,270
Social security costs	476,105	336,733
Pension costs	295,609	195,131
	<u>5,423,381</u>	<u>4,025,134</u>

8. Tangible fixed assets

	Furniture and equipment £	Plant and machinery £	Total £
Cost			
At 1 August 2018	340,960	327,385	668,345
Additions	-	-	-
Disposals	-	-	-
At 31 July 2019	<u>340,960</u>	<u>327,385</u>	<u>668,345</u>
Depreciation			
At 1 August	(190,907)	(100,174)	(291,081)
Charge for the year	(68,193)	(32,738)	(100,931)
Disposals	-	-	-
At 31 July	<u>(259,100)</u>	<u>(132,912)</u>	<u>(392,012)</u>
Net book value			
At 31 July 2018	<u>150,053</u>	<u>227,211</u>	<u>377,264</u>
At 31 July 2019	<u>81,860</u>	<u>194,473</u>	<u>276,333</u>

KING'S COLLEGE LONDON BUSINESS LIMITED

NOTES TO THE ACCOUNTS continued

For the year ended 31 July 2019

9. Debtors

	2019	2018
	£	£
Prepayments and Accrued Income	<u>877,833</u>	<u>3</u>

10. Creditors: amount falling due within one year

	2019	2018
	£	£
Amounts owed to ultimate parent undertaking	1,396,712	296,231
Accruals and other creditors	107,056	79,330
Social security and other taxation payable	134,932	133,126
Trade creditors	9,749	26,300
	<u>1,648,449</u>	<u>534,987</u>

11. Taxation on profit

	2018/19	2017/18
Profit on ordinary activities before tax	-	-
Corporation tax rate effective in the year	19%	19%
Tax on ordinary profit on ordinary activities at standard CT rate	-	-
Tax charge for the year	<u>-</u>	<u>-</u>

12. Called up share capital

	2019	2018	2019	2018
	No.	No.	£	£
Authorised				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

13. Parent undertaking

The company is a subsidiary undertaking of King's College London, a body incorporated in England by Royal Charter. The largest group in which the results of the company are consolidated is that headed by King's College London. The consolidated accounts of King's College London are available to the public and may be obtained from King's College London, Strand, London, WC2R 2LS. No other group accounts include the results of the company.

14. Related Party Transactions

As a wholly owned subsidiary, King's College London Business Limited has chosen to apply the exemption available under FRS 102 Related Party Transactions from disclosing transactions with other group entities.