

**Kingston University Campus  
Enterprises Limited**

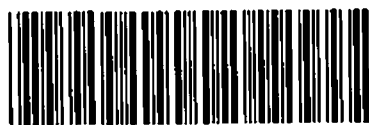
Report and Financial Statements

Year Ended

31 July 2020

Company Number: 02863207

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# **Kingston University Campus Enterprises Limited**

**Report and financial statements  
for the year ended 31 July 2020**

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## **Directors**

K G Brennan  
M W Jones

## **Secretary and registered office**

R Pingree, Kings' Stone House, 12 High Street, Kingston Upon Thames, Surrey, England KT1 1HD

## **Company number**

02863207

## **Auditor**

BDO LLP, 2 City Place, Gatwick, West Sussex, RH6 0PA

# Kingston University Campus Enterprises Limited

## Report of the directors for the year ended 31 July 2020

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### Principal activity

The principal activity of the company is vacation letting of Kingston University's halls of residence.

### Directors

The directors of the company throughout the year were:

K G Brennan

M W Jones (appointed 25 November 2019)

H J Woods (resigned 25 November 2019)

### Directors' interests

None of the directors had a beneficial interest in any group company at any time during the year.

### Dividends

No dividends were paid during the year (2019 - Nil).

During the year a qualifying charitable donation of £256,000 (2019: £429,000) was paid to Kingston University, the ultimate parent undertaking.

### Covid-19

Measures taken by the government to contain the Covid-19 outbreak has impacted the business and we have taken a number of measures to monitor and prevent the effects of the Covid-19 virus. These include health and safety measures for our employees such as social distancing and working from home where possible, as well as securing the supply of personal protective equipment that is essential to delivering Covid-19 safe enhanced services for Kingston University as the campuses re-open. At this stage the impact on our business and results is limited with extra costs being funded by redirecting business as usual budget savings.

### Going concern

The directors have carried out an assessment of the company's ability to continue as a going concern by reviewing forecasts for the period ended 30 November 2021. This included a review of client contracts already in place, the relative levels of fixed and variable costs and cash flow projections over that forecast period. The cash flow projections assume that summer 2021 lettings will be minimal because courses are likely to be online. In the worst case scenario and these summer lettings do not arise then the majority of costs will not be incurred because they relate directly to income generated. These costs represent services provided by Kingston University, the ultimate controlling party, and Kingston University Service Company Limited, a fellow subsidiary undertaking. If this scenario were to arise staff could be successfully redeployed to Kingston University Service Company Limited. Although the directors expect that income levels will be significantly reduced during 2020/21, the directors do not consider that there is a material uncertainty as overheads and fixed costs that would be incurred in this scenario can be met by available cash balances at the year end. Based on this review the directors have concluded that the company is a going concern and have therefore prepared the financial statements on this basis.

### Auditor

All of the directors as at the date of this report have taken all the 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. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

In preparing the directors report the directors have taken advantage of the exemptions allowed for small companies as set out in the Companies Act 2006.

### Approval

This Directors' Report was approved by order of the Board on 25 November 2020.



K G Brennan

Director

# **Kingston University Campus Enterprises Limited**

## **Statement of directors' responsibilities**

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### **Directors' responsibilities**

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 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; 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.

# Kingston University Campus Enterprises Limited

## Independent auditor's report to members of Kingston University Campus Enterprises Limited

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### Opinion

We have audited the financial statements of Kingston University Campus Enterprises Limited ("the Company") for the year ended 31 July 2020 which comprise the Statement of comprehensive income, Balance sheet and Statement of changes in equity, and the 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; 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. 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 Directors are responsible for the other information. The other information comprises the information included in the Report, other than the financial statements and our auditor's report thereon. 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.

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.

# Kingston University Campus Enterprises Limited

Independent auditor's report to members of Kingston University Campus Enterprises Limited (continued)

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## 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 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.

## 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.

# **Kingston University Campus Enterprises Limited**

**Independent auditor's report to members of Kingston University Campus Enterprises Limited *(continued)***

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## **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***

Paula Willock (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, UK

30 November 2020

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

# Kingston University Campus Enterprises Limited

## Statement of comprehensive income for the year ended 31 July 2020

	Note	2020 £'000	2019 £'000
Turnover		481	842
Cost of sales		(248)	(339)
<b>Gross profit</b>		<b>233</b>	<b>503</b>
Administrative expenses		(212)	(247)
<b>Profit on ordinary activities before and after taxation</b>	<b>3</b>	<b>21</b>	<b>256</b>
<b>Total comprehensive income for the year</b>		<b>21</b>	<b>256</b>

All amounts relate to continuing activities.

The notes on pages 9 to 13 form part of these financial statements.



# Kingston University Campus Enterprises Limited

Balance sheet  
at 31 July 2020

Company number: 02863207

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Current assets</b>					
Debtors	6	14		108	
Cash at bank and in hand		63		245	
		<u>77</u>		<u>353</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(55)</u>		<u>(96)</u>	
<b>Net assets</b>			<u>22</u>		<u>257</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss account			21		256
<b>Equity shareholder's funds</b>			<u>22</u>		<u>257</u>

These accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2020.

*K G Brennan*

K G Brennan  
Director

The notes on pages 9 to 13 form part of these financial statements

# Kingston University Campus Enterprises Limited

## Statement of changes in equity for the year ended 31 July 2020

	2020 Share Capital £'000	2020 Profit and Loss Account £'000	2020 Total Equity £'000
<b>As at 1 August</b>	<b>1</b>	<b>256</b>	<b>257</b>
Comprehensive income for the year	-	21	21
Qualifying charitable donation	-	(256)	(256)
<b>As at 31 July</b>	<b>1</b>	<b>21</b>	<b>22</b>

	2019 Share Capital £'000	2019 Profit and Loss Account £'000	2019 Total Equity £'000
<b>As at 1 August</b>	<b>1</b>	<b>429</b>	<b>430</b>
Comprehensive income for the year	-	256	256
Qualifying charitable donation	-	(429)	(429)
<b>As at 31 July</b>	<b>1</b>	<b>256</b>	<b>257</b>

The notes on pages 9 to 13 form part of these financial statements.

# Kingston University Campus Enterprises Limited

## Notes forming part of the financial statements for the year ended 31 July 2020

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### 1 Accounting policies

Kingston University Campus Enterprises Limited is a private company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the operations and its principal activities are set out in the report of the directors. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

#### *Company disclosure exemptions*

In preparing the separate financial statements of the company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel.

The following principal accounting policies have been applied:

#### *Turnover*

Turnover is recognised over the period when rooms are let or when events occur. All turnover relates to activities within the UK and is exclusive of VAT.

#### *Current taxation*

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

The charge for taxation is based on the profit 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, except as otherwise required by FRS 102.

No provision is made for taxation where a qualifying charitable donation has been paid in the year or where it is probable that an amount equal to the taxable profits will be paid within nine months of the period end.

#### *Qualifying charitable donations*

The company is a subsidiary of a charitable higher education institution and makes qualifying charitable donations of an amount equal to taxable profits to its parent entity either within the year or within nine months of the year ended in each financial year. As these amounts represent distributions they are presented in the Statement of Changes in Equity. This distribution will be presented in the financial statements of the period in which the distribution is paid.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

# Kingston University Campus Enterprises Limited

## Notes forming part of the financial statements for the year ended 31 July 2020 (continued)

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### 1 Accounting policies (continued)

#### *Financial assets*

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### *Reserves*

The purpose of each reserve within equity is as follows:

- Share capital - the nominal value of allotted, called up and fully paid up ordinary share capital
- Profit and loss account - cumulative net gains and losses recognised in the statement of comprehensive income, net of dividends paid.

#### *Going concern*

The directors have carried out an assessment of the company's ability to continue as a going concern by reviewing forecasts for the period ended 30 November 2021. This included a review of client contracts already in place, the relative levels of fixed and variable costs and cash flow projections over that forecast period. The cash flow projections assume that summer 2021 lettings will be minimal because courses are likely to be online. In the worst case scenario and these summer lettings do not arise then the majority of costs will not be incurred because they relate directly to income generated. These costs represent services provided by Kingston University, the ultimate controlling party, and Kingston University Service Company Limited, a fellow subsidiary undertaking. If this scenario were to arise staff could be successfully redeployed to Kingston University Service Company Limited. Although the directors expect that income levels will be significantly reduced during 2020/21, the directors do not consider that there is a material uncertainty as overheads and fixed costs that would be incurred in this scenario can be met by available cash balances at the year end. Based on this review the directors have concluded that the company is a going concern and have therefore prepared the financial statements on this basis.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgement:

- Trade debtors (see note 6)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. Where a debtor is not considered to be recoverable an impairment loss is presented within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line.

# Kingston University Campus Enterprises Limited

## Notes forming part of the financial statements for the year ended 31 July 2020 (continued)

<b>3 Profit on ordinary activities before and after taxation</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
This is arrived at after charging:		
Fees payable to the company's auditor for the audit of the company's annual accounts	5	4
	<hr/>	<hr/>
<b>4 Employees</b>	<b>2020</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs consist of:		
Wages and salaries	144	152
Social security costs	11	12
Employers' pension contributions	3	2
	<hr/>	<hr/>
	158	166
	<hr/>	<hr/>

All employees hold service contracts with Kingston University Services Company Limited, a subsidiary company of Kingston University. All costs relating to payroll are incurred in full by Kingston University Services Company Limited and are subsequently recharged to Kingston University Campus Enterprises Limited.

No remuneration was paid to any director in the year (2019: £nil).

Certain of the directors receive remuneration from Kingston University, the parent entity, in respect of their services to Kingston University and the company. The amount allocated to the company in respect of these services in the current and prior year is £nil.

The average number of employees (including directors), expressed as full-time equivalents, during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Operational staff and administrative support	7	8
	<hr/>	<hr/>

# Kingston University Campus Enterprises Limited

Notes forming part of the financial statements  
for the year ended 31 July 2020 (continued)

## 5 Taxation on profit on ordinary activities

	2020 £'000	2019 £'000
<i>UK corporation tax</i>		
Current tax on profits of the year	-	-
	<hr/>	<hr/>
Taxation on profit on ordinary activities	-	-
	<hr/>	<hr/>

The company pays profits to its parent through gift aid, a reconciliation of the tax charge to the profit on ordinary activities before tax is set out below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	21	256
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	4	49
Effects of: Possible qualifying charitable donation	(4)	(49)
	<hr/>	<hr/>
Total tax charge for period	-	-
	<hr/>	<hr/>

## 6 Debtors

	2020 £'000	2019 £'000
Trade debtors	12	56
Amounts owed by parent undertaking	-	15
Other debtors	-	19
Prepayments and accrued income	2	18
	<hr/>	<hr/>
	14	108
	<hr/>	<hr/>

# Kingston University Campus Enterprises Limited

Notes forming part of the financial statements  
for the year ended 31 July 2020 (continued)

## 7 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	-	12
Amounts owed to parent undertaking	9	-
Other creditors	24	39
Accruals and deferred income	22	45
	<u>55</u>	<u>96</u>

## 8 Share capital

	2020 £'000	2019 £'000
<i>Allotted, called up and fully paid</i>		
1,000 (2019 – 1,000) ordinary shares of £1 each	<u>1</u>	<u>1</u>

## 9 Ultimate parent undertaking

Kingston University Campus Enterprises Limited is a wholly owned subsidiary of Kingston University, which was created under the terms of the Further and Higher Education Act 1992. Consolidated financial statements for the University, its ultimate parent undertaking and the only group which includes the company, can be obtained by writing to:

The Finance Director  
Kingston University  
Hind Court  
106-114 London Road  
Kingston upon Thames  
Surrey  
KT2 6TN

Kingston University is considered to be the controlling and ultimate controlling party of Kingston University Campus Enterprises Limited.