

REED BUSINESS SCHOOL LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2015

Registered number: 02949665



REED BUSINESS SCHOOL LIMITED ,
FINANCIAL STATEMENTS
for the year ended 31st December 2015

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REED BUSINESS SCHOOL LIMITED

COMPANY INFORMATION

31st December 2015

INCORPORATED	in England on 18 th July 1994
REGISTRATION NUMBER	02949665
DIRECTORS	Reed Educational Trust Limited Peter Green
SECRETARY	Stella Shaw
REGISTERED OFFICE	The Manor Little Compton Moreton in Marsh Gloucestershire GL56 0RZ
AUDITORS	Kingscott Dix Limited Chartered Accountants and Registered Auditors Goodridge Court Goodridge Avenue Gloucester GL2 5EN
BANKERS	HSBC City of London Branch 60 Queen Victoria Street London EC4N 4TR

REED BUSINESS SCHOOL LIMITED

DIRECTORS' REPORT

31st December 2015

The directors present their report and the audited financial statements for the year ended 31st December 2015.

Principal activity

The principal activities of the company are the provision of courses leading to professional qualifications and the provision of conference and training facilities.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

Peter Green
The Reed Educational Trust Limited

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information,

Donations

During the year, the company made charitable donations of £Nil (2014: £0).

Auditors

Auditors will be proposed and appointed in accordance with Section 487 of the Companies Act 2006.

Small company exemptions

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

For and on behalf of the board

20/09/2016 Date



Peter Green
Director

The Manor
Little Compton
Moreton in Marsh
Gloucestershire
GL56 0RZ

REED BUSINESS SCHOOL LIMITED

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 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 those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

For and on behalf of the board



Peter Green
Director

REED BUSINESS SCHOOL LIMITED**Report of the Independent Auditors' to the shareholders of****Reed Business School Limited**

We have audited the financial statements of Reed Business School Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the company's income and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Report of the Directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- the company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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 and the Report of the Director in accordance with the small companies regime.

Robert Woodman (Senior Statutory Auditor)
for and on behalf of Kingscott Dix Limited
Chartered Accountants
and Statutory Auditor
Goodridge Court
Goodridge Avenue
Gloucester
Gloucestershire
GL2 5EN

Date: 22 September 2016

REED BUSINESS SCHOOL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 2015

		2015	2014
	Note	£	£
Turnover	2	1,674,252	1,791,657
Cost of sales		(792,690)	(819,697)
Gross profit		<u>881,562</u>	<u>971,960</u>
Net operating expenses			
Administrative expenses		(791,997)	(838,920)
Covenant to Charity/Charitable Donations		(-)	(-)
Other operating income		7,343	7,753
Profit on ordinary activities before taxation	3	<u>96,908</u>	<u>140,793</u>
Taxation	5	(20,635)	(28,653)
Profit on ordinary activities after taxation		<u>76,273</u>	<u>112,140</u>
Retained profit for the year		76,273	112,140
Retained profits brought forward		305,840	193,700
Retained profits carried forward		<u>382,113</u>	<u>305,840</u>

REED BUSINESS SCHOOL LIMITED

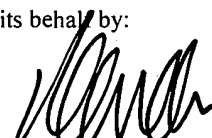
BALANCE SHEET

at 31st December 2015

		2015		2014	
	Note	£	£	£	£
Fixed assets					
Intangible assets	6	6,310		11,060	
Tangible assets	7	94,664		100,753	
Total fixed assets			100,974		111,813
Current assets					
Stocks		1,340		1,340	
Debtors	8	168,008		153,697	
Cash at bank and in hand		360,023		348,715	
		529,371		503,752	
Creditors: amounts falling due within one year	9	(236,351)		(298,329)	
Net current assets			293,020		205,423
Net assets			393,994		317,236
Provision for liabilities and charges	10		(11,879)		(11,394)
			382,115		305,842
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account			382,113		305,840
Total shareholders' funds			382,115		305,842

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The board of directors approved the financial statements on pages 5 to 12 on 29/09/16 date and signed on its behalf by:



Peter Green
Director

REED BUSINESS SCHOOL LIMITED
NOTES ON FINANCIAL STATEMENTS
31st December 2015

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 2006.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Amortisation

Amortisation of intangible fixed assets is calculated to write off their cost or valuation on a straight line basis over their estimated useful lives as follows:

Software development	3 years
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Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation on a straight line basis over their estimated useful lives as follows:

Leasehold land and buildings	10 years
Fixtures and fittings	5 years (10 years prior to 2008)

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred. Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (2014: nil).

REED BUSINESS SCHOOL LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December 2015

3 Operating profit

	2015	2014
	£	£
Operating profit is stated after crediting:		
Interest receivable	850	784
	<u> </u>	<u> </u>
and after charging:		
Auditors' remuneration	4,000	4,000
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets:		
Owned assets	35,485	31,444
Leased assets	-	-
Loss on disposal of tangible fixed assets	2,109	2,174
Amortisation of intangible fixed assets	4,750	4,237
Loss on disposal of intangible fixed assets	-	903
	<u> </u>	<u> </u>

4 Directors

	2015	2014
	£	£
Directors' emoluments	-	-
	<u> </u>	<u> </u>

5 Taxation

	2015	2014
	£	£
Corporation tax on profit on ordinary activities effective at 20% (2014 20%)	(20,150)	(26,851)
Deferred taxation	(485)	(1,802)
	<u> </u>	<u> </u>
	(20,635)	(28,653)
	<u> </u>	<u> </u>

REED BUSINESS SCHOOL LIMITED
NOTES ON FINANCIAL STATEMENTS

31st December 2015

6 Intangible fixed assets

	Software Development £	Total £
Cost		
1st January 2015	46,833	46,833
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
31st December 2015	46,833	46,833
	<hr/>	<hr/>
Amortisation		
1st January 2015	35,773	35,773
Charge for the year	4,750	4,750
Eliminated on Disposal	-	-
	<hr/>	<hr/>
31st December 2015	40,523	40,523
	<hr/>	<hr/>
Net book amount		
31st December 2015	6,310	6,310
	<hr/> <hr/>	<hr/> <hr/>
1st January 2015	11,060	11,060
	<hr/> <hr/>	<hr/> <hr/>

7 Tangible fixed assets

	Fixtures And Fittings £	Land and Buildings £	Total £
Cost			
1st January 2015	430,540	313,409	743,949
Additions	31,505	-	31,505
Disposals	(15,839)	-	(15,839)
	<hr/>	<hr/>	<hr/>
31st December 2015	446,206	313,409	759,615
	<hr/>	<hr/>	<hr/>
Depreciation			
1st January 2015	337,750	305,446	643,196
Charge for the year	34,415	1,070	35,485
Eliminated on disposal	(13,730)	-	(13,730)
	<hr/>	<hr/>	<hr/>
31st December 2015	358,435	306,516	664,951
	<hr/>	<hr/>	<hr/>
Net book amount			
31st December 2015	87,771	6,893	94,664
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
1st January 2015	92,790	7,963	100,753
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Land and buildings (net book values) comprise:

Short leaseholds	6,893	6,893
	<hr/>	<hr/>

The net book value of assets held under finance leases was £Nil (2014: £Nil).

REED BUSINESS SCHOOL LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 2015

8 Debtors: amounts falling due within one year

	2015	2014
	£	£
Trade debtors	140,918	117,206
Amounts owed by group undertakings	-	-
VAT Repayment	-	2,236
Prepayments & accrued income	27,090	34,255
	<u>168,008</u>	<u>153,697</u>

9 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	116,087	191,423
Amounts owed to group undertakings	-	-
Other taxation and social security	-	-
Taxation	20,150	26,851
Accruals and deferred income	87,121	80,055
VAT	12,993	-
	<u>236,351</u>	<u>298,329</u>

10 Provision for liabilities and charges

	Deferred Tax £
1st January 2015	11,394
Increase in provision in year	485
31st December 2015	<u>11,879</u>

11 Deferred taxation

	2015 Amount provided £	2014 Amount provided £
Corporation tax deferred by:		
Capital allowances in excess of depreciation	11,879	11,394
	<u>11,879</u>	<u>11,394</u>

Deferred taxation is based on a corporation tax of 20% (2014: 20%).

REED BUSINESS SCHOOL LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 2015

12 Called up share capital

	2015		2014	
	Number of shares	£	Number of shares	£
Allotted, called up and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

13 Operating lease commitments

	2015		2014	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	-	-	-	-
Between 2 and 5 years	-	-	72,000	-
After 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>72,000</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>72,000</u>	<u>-</u>

14 Transactions involving Trustees of the parent company.

The parent company operates from premises held on a 5 year lease (dated 1 January 2011) from Sir Alec Reed. The annual rental payable is £72,000.

Sir Alec Reed is a trustee of the Reed Educational Trust Limited and has a material interest in Reed Global Ltd. The company trades with Reed Global Ltd and its subsidiaries, Reed Specialist Recruitment Ltd, Reed Learning Ltd, Reed Property Ltd and Reed Online Ltd on a normal trading basis. Please refer to note 16 on related party transactions, subsections (i) to (iii) for full details of the transactions.

15 Ultimate parent undertaking

The Company's ultimate parent is The Reed Educational Trust Limited, a company limited by guarantee incorporated in the United Kingdom.

REED BUSINESS SCHOOL LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 2015

16 Related parties

The Company had the following related party transactions during the year:

(i) Sir Alec Reed

Relationship - Sir Alec Reed is a Trustee of the parent company, The Reed Educational Trust Limited. The Company pays rent to Sir Alec for The Manor and for some properties used by residential students. The Company also shares the cost of a gardener with Sir Alec. The rent due for The Manor and residential properties for the year totalled £93,165 (2014: £93,780). The shared cost of a gardener was £2,218 (2014: £NIL). The balance due to Sir Alec Reed at the year-end was £465 (2014: £1,080).

(ii) Compton Farms

Relationship - Sir Alec Reed owns Compton Farms and is also a Trustee of the parent company, The Reed Educational Trust Limited. The Company buys some supplies via Compton Farms in order to benefit from group discounts. Purchases through Compton Farms for the year totalled £969 (2014: £1,370) and accrued for £455 (2014: £533) and the balance due to the farm at the year-end was £NIL (2014: £NIL).

(iii) Reed Global Ltd and its subsidiaries

Relationship - There are common Directors and Trustees in both Reed Global Ltd and the parent company, The Reed Educational Trust Ltd, including Sir Alec Reed who has a material interest in Reed Global Ltd.

The Company invoices Reed Global Ltd and its subsidiaries for professional training courses. The amount invoiced in the year totalled £301,994 (2014: £294,954). The balance due from Reed Global Ltd's subsidiaries at the year-end was £38,737 (2014: £34,172).

Reed Learning Ltd invoices the Company for the costs of staff working at the Company and for other administrative recharges. The amount invoiced for the year totalled £619,553 (2014: £711,420) and accrued for £53,986 (2014: £56,922).

This amount is made up of wages & salaries, £585,996 (2014: £650,752) and National Insurance Contributions, £48,892 (2014: £57,916). The remainder relates to other administrative recharges. The balance due to Reed Learning Ltd at the year end was £77,619 (2014: £143,487).

Reed Specialist Recruitment Ltd invoice the Company for the costs of temporary staff working at the Company and staff recruitment charges.

The amount invoiced in the year totalled £1,283 (2014: £5,473) and accrued for £3,591 (2014: £NIL). The balance due to Reed Specialist Recruitment Ltd at the year end was £99 (2014: £93).

Reed Property Ltd invoices the Company for the use of property for residential students. The amount invoiced in the year totalled £9,100 (2014: £10,920) and accrued for £910 (2014: £NIL). The balance due to Reed Property Ltd at the year-end was £NIL (2014: £910).

(iv) The Reed Foundation

Relationship - Sir Alec Reed and James Reed are trustees of the registered charity The Reed Foundation. The Reed Foundation owns property utilised by the Company. No rent is charged.

The company has taken advantage of the exemption from disclosing transactions with its parent company provided by para 3(c) of Financial Reporting Standard No. 8.