

**REED BUSINESS SCHOOL LIMITED**

**FINANCIAL STATEMENTS**

**31ST DECEMBER 2018**

**Registered number: 02949665**

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**FINANCIAL STATEMENTS**  
**For the year ended 31st December 2018**

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**REED BUSINESS SCHOOL LIMITED**

**COMPANY INFORMATION**

INCORPORATED	in England on 18 <sup>th</sup> 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**

The directors present their report and the audited financial statements for the year ended 31st December 2018.

**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**

The company pledged a donation to its parent charity totalling £170,000 in respect of the year (2017: £188,070).

**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.

**Achievements and Performance**

Since its foundation over 40 years ago, Reed Business School has nurtured the developing careers of thousands of student professionals. Reed Business School continues to be the only professional examination training provider to openly and transparently publish results. Pass rates continue to excel with the following notable achievements:

- ICAEW – There were no national prize winners in 2018 however there were a number of regional prize winners for a number of Professional and Advanced subjects.

**REED BUSINESS SCHOOL LIMITED****Pass-Rates Overview**

The average pass rate of ICAEW Certificate exams taken at the Business School were 90% in 2018 which compares to the national average of 84%, with one subject being 100%. ICAEW results have continued to compare favourably with national pass rates at Professional and Advanced Levels. Reed Business School Professional Level courses averaged 88% compared to national 84%, with Business Planning Tax & Business Strategy & Technology achieving 100%. Advanced Level courses averaged 87% compared to national of 82%. 100% was achieved in Strategic Business Management.

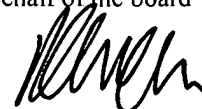
ACCA results in 2018 were again substantially higher than the average worldwide pass rates of 42% over all papers, with the average of 87% pass rate including 13 papers achieving 100%. The fundamentals papers achieved an average of 93%, with 4 papers over the year gaining a 100% pass rate.

CIMA results can only include the Case Study subjects as no data is available for the on demand subjects. The average statistics are made up of student numbers less than 8 and therefore may be statically unreliable. Despite CIMA student numbers remaining low (this is a national trend), the following outstanding result was achieved by one of the CIMA students.

- Triple Case Study First Prize Winner – this is for achieving first place globally in all 3 Case Study examinations.

The average pass rate over the year was 94% compared to the Global pass rate of 61%. Seven papers during the year achieved 100% pass rate.

For and on behalf of the board



Peter Green  
Director

The Manor  
Little Compton  
Moreton in Marsh  
Gloucestershire  
GL56 0RZ

23 September 2019

**REED BUSINESS SCHOOL LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

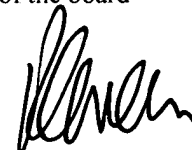
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

23 September 2019

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

We have audited the financial statements of Reed Business School Limited for the year ended 31st December 2018 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statement, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted the 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 of the Directors, but does not include the financial statements and our Report of the Independent Auditors 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 misstatements, we are required to determine whether there is a material misstatement in the financial statement 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.

**Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**REED BUSINESS SCHOOL LIMITED****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 Report of the Directors.

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
- we have not received all the information and explanations required for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Report of the Directors.

**Responsibilities of the Directors**

As explained more fully in the Statement of Director's Responsibilities set out on page three, 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 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.

**Auditors' 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 a Report of the Auditors 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

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

23 September 2019



**REED BUSINESS SCHOOL LIMITED**

**INCOME STATEMENT**

**For the year ended 31<sup>st</sup> December 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>		2,139,053	1,829,348
Cost of sales		(1,023,920)	(837,978)
<b>Gross profit</b>		<u>1,115,133</u>	<u>991,370</u>
<b>Net operating expenses</b>			
Administrative expenses		(909,080)	(795,837)
Other operating income		7,879	12,031
<b>Profit on ordinary activities before taxation</b>	<b>4</b>	<u>213,932</u>	<u>207,564</u>
Taxation		(9,426)	(4,196)
<b>Profit on ordinary activities after taxation</b>		<u>204,506</u>	<u>203,368</u>
Retained profits brought forward		633,800	530,432
Retained profit for the year		204,506	203,368
Donation	<b>5</b>	(338,000)	(100,000)
<b>Retained profits carried forward</b>		<u>500,306</u>	<u>633,800</u>

## REED BUSINESS SCHOOL LIMITED

## BALANCE SHEET

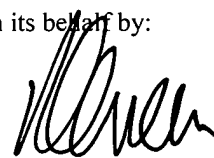
Registered number: 2949665

At 31<sup>st</sup> December 2018

		2018		2017
	Note	£	£	£
<b>Fixed assets</b>				
Intangible assets		-	-	-
Tangible assets	6	77,201	78,969	
<b>Total fixed assets</b>			77,201	78,969
<b>Current assets</b>				
Stocks	7	1,340	1,340	
Debtors	8	273,853	242,955	
Cash at bank and in hand		487,630	691,262	
		762,823	935,557	
<b>Creditors: amounts falling due</b>				
Within one year	9	(328,337)	(369,460)	
<b>Net current assets</b>			434,486	566,097
<b>Net assets</b>			511,687	645,066
<b>Provision for liabilities and charges</b>			(11,379)	(11,264)
			500,308	633,802
<b>Capital and reserves</b>				
Called up share capital			2	2
Profit and loss account			500,306	633,800
<b>Total shareholders' funds</b>			500,308	633,802

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The board of directors approved the financial statements on pages 7 to 13 on 23 September 2019 signed on its behalf by:



Peter Green  
Director

**REED BUSINESS SCHOOL LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December 2018**

	<b>Called up share capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2017</b>	2	530,432	530,434
	<hr/>	<hr/>	<hr/>
<b><u>Changes in equity</u></b>			
Donation	-	(100,000)	(100,000)
Total Comprehensive Income	-	203,368	203,368
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	2	633,800	633,802
	<hr/>	<hr/>	<hr/>
<b><u>Changes in equity</u></b>			
Donation	-	(338,000)	(338,000)
Total Comprehensive Income	-	204,506	204,506
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	2	500,306	500,308
	<hr/>	<hr/>	<hr/>

# REED BUSINESS SCHOOL LIMITED

## NOTES ON FINANCIAL STATEMENTS

### 1 Statutory Information

Reed Business School Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### 2 Accounting policies

#### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

#### **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**

Software costs have been recognised and capitalised as the costs of the asset can be measured reliably and it is probable that future economic benefits that are directly attributable to the asset will flow to the entity.

Software development

3 years straight line

#### **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:

Short Leasehold

10 years

Fixtures and fittings

5 years (10 years prior to 2008)

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**REED BUSINESS SCHOOL LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**3 Employees and Directors**

The average number of employees during the year was 21 (2017: 23).

**4 Operating profit**

	2018	2017
	£	£
Operating profit is stated after charging:		
Depreciation - Owned assets	28,539	33,346
Computer software amortisation	-	2,103
Auditors' remuneration	4,013	4,000
	<u>          </u>	<u>          </u>

**5 Taxation**

Of the profits earned during 2018, £170,000 was paid by way of a donation for this year and therefore the tax charge in respect of this year is reduced to take account of this. A donation of £168,000 has been paid in the year based on profits from 2017, therefore the tax charge for 2017 was similarly reduced.

Of the donation paid during this year £170,000 related to this year and £168,000 related to the previous year. The tax charge for 2017 was calculated after deducting the £168,000 mentioned above and the £20,000 paid during that year.

**REED BUSINESS SCHOOL LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**6 Tangible fixed assets**

	<b>Fixtures and Fittings £</b>	<b>Land and Buildings £</b>	<b>Total £</b>
<b>Cost</b>			
1st January 2018	497,052	313,412	810,464
Additions	22,284	4,487	26,771
Disposals	(849)	-	(849)
31st December 2018	<u>518,487</u>	<u>317,899</u>	<u>836,386</u>
<b>Depreciation</b>			
1st January 2018	422,998	308,497	731,495
Elimination on disposal	(849)	-	(849)
Charge for the year	27,461	1,078	28,539
31st December 2018	<u>449,610</u>	<u>309,575</u>	<u>759,185</u>
<b>Net book amount</b>			
31st December 2018	<u>68,877</u>	<u>8,324</u>	<u>77,201</u>
31st December 2017	<u>74,054</u>	<u>4,915</u>	<u>78,969</u>

**REED BUSINESS SCHOOL LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**7 Stocks**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Stocks	1,340	1,340

**8 Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade debtors	192,132	204,334
Prepayments & accrued income	81,721	38,621
	<u>273,853</u>	<u>242,955</u>

**9 Creditors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade creditors	126,450	92,077
Taxation	9,311	5,119
VAT	37,547	42,829
Accruals and deferred income	137,873	229,435
Payroll Liabilities	16,156	-
Apprenticeship Incentive	1,000	-
	<u>328,337</u>	<u>369,460</u>

**10 Ultimate parent undertaking**

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

**11 Leasing Agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	88,810	88,810
Between one and five years	347,840	355,240
	<u>436,650</u>	<u>444,050</u>