

**London Business School Trading Company
Limited
Directors' Report and Financial Statements
for the year ended 31 July 2013**

Registered no: 4029996



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London Business School Trading Company Limited

Directors' report for the year ended 31 July 2013

The directors present their report and the audited financial statements for the year ended 31 July 2013

Review of activities

The principal activity of the company is to act as an all-purpose trading company, carrying out activities which London Business School, given its status as an exempt charity, is unable to pursue as they fall outside its primary purpose

The results of the company for the year are shown in the profit and loss account on page 6

Both the level of activity and the year end financial position were satisfactory

Directors

The directors of the company during the year ended 31 July 2013 and up to the date of signing these financial statements were

Mr Christopher Deacon
Mr Richard Frost
Mr David Harrison

Company Information

Registered Office

Sussex Place
Regents Park
London
NW1 4SA

Auditors'

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

HSBC Bank plc
90 Baker Street
London
W1U 6AX

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

London Business School Trading Company Limited

Directors' report for the year ended 31 July 2013 (continued)

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, a resolution on the appointment of auditors will be proposed at the next meeting

By order of the board



Katherine Muller
Secretary

25 Oct 2013

London Business School Trading Company Limited

Statement of directors' responsibilities in respect of the financial statements for the year ended 31 July 2013

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 they have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities)

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 judgments and 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 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.

London Business School Trading Company Limited

Independent Auditors' report to the members of London Business School Trading Company Limited

We have audited the financial statements of London Business School Trading Company Limited for the year ended 31 July 2013 set out on pages 6 to 11. 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).

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 Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 matters prescribed by the Companies Act 2006

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

London Business School Trading Company Limited

Independent Auditors' report to the members of London Business School Trading Company Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion.

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Andrew Sayers (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London, E14 5GL

_____/____ November 2013

London Business School Trading Company Limited

Profit and loss account for the year ended 31 July 2013

	Notes	2013	2012
		£	£
Turnover	2	1,085,208	1,198,364
Cost of sales		(670,170)	(732,192)
Gross profit		415,038	466,172
Administration expenses		(7,009)	59
Operating profit	3	408,029	466,231
Interest receivable		(20)	399
Profit on ordinary activities before taxation		408,009	466,630
Taxation	5	-	-
Profit on ordinary activities after taxation		408,009	466,630
Transfer to London Business School under Gift Aid	6	(408,009)	(466,630)
		-	-

All of the company's activities are derived from continuing operations

There are no recognised gains and losses in the year other than those in the profit and loss account above

The notes on pages 8 to 11 form part of these financial statements

London Business School Trading Company Limited

Balance Sheet

as at 31 July 2013

(Registered company number 4029996)

	Notes	2013	2012
		£	£
Current assets			
Stock		22,347	-
Debtors	7	530,077	630,482
Cash at bank and in hand		1,936	20,383
		<u>554,360</u>	<u>650,865</u>
 Creditors: amounts falling due within one year	 8	 <u>(554,358)</u>	 <u>(650,863)</u>
 Net current assets		 <u>2</u>	 <u>2</u>
 Net assets		 <u><u>2</u></u>	 <u><u>2</u></u>
 Capital and reserves			
Called up share capital	9	91,304	91,304
Reserves		(91,302)	(91,302)
Total shareholders' funds		<u><u>2</u></u>	<u><u>2</u></u>

The accounts have been prepared in accordance with the special provisions in part 15 of Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (April 2008)

The financial statements on pages 6 to 11 were approved by the Board of Directors and were authorised for issue on 25 October 2013



David Harrison
Director

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2013

1 Accounting policies

(a) Basis of presentation

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) and Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(b) Turnover

Turnover is recorded on an accruals basis and includes amounts receivable for the provision of general purpose trading activities. Any amounts received in respect of trading activities to be provided after the year end are recorded as deferred income. Turnover from the barter agreements is included within turnover which is offset by a corresponding equal amount within cost of sales.

(c) Cash flow

Under Financial Reporting Standard (FRS) 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a member of a Group for which a consolidated cash flow statement, which includes the Company, is publicly available.

(d) Related party disclosures

Under Financial Reporting Standard (FRS) 8, the Company is exempt from reporting transactions with fellow Group undertakings.

(e) Foreign currencies

Transactions in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year.

(f) Going concern

The financial statements have been prepared on a going concern basis. On the basis of the ongoing review of the activity, the Company's parent company, London Business School, has provided a letter of support confirming that it will provide ongoing financial support to the Company to enable it to continue its operating activities, subject to a one year notice period. The Directors have a reasonable expectation that the Company will therefore have adequate resources to continue in operational existence for the foreseeable future.

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

1 Accounting policies (continued)

(g) Stock

Stock is stated at the lower of cost and net realisable value

2 Turnover

Included in turnover is an amount of £389,465 (2012 £364,614) in respect of a barter transactions for advertising. Correspondingly, an equal amount is reflected in cost of sales

All activities and profit are based in the UK

3 Operating profit

Operating profit is stated after charging

	2013	2012
	£	£
Audit fees	1,600	1,637

4 Employees and directors' remuneration

The company had no employees during the year (2012 no employees)

The directors of the company do not receive any remuneration for their services as directors

5 Taxation

(a) Tax on profit on ordinary activities

	2013	2012
	£	£
Current tax	<u>-</u>	<u>-</u>

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

5 Taxation (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 23% (2012 24%) The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before taxation	408,009	466,630
Expected tax charge at UK corporation tax of 23.67% (2012 24%, 2013 23%)	96,576	118,197
Effects of		
Pre-tax profits gift aided to London Business School	(96,576)	(118,197)
	<u>-</u>	<u>-</u>

6 Gift Aid

	2013	2012
	£	£
Payment to London Business School under gift aid	408,009	466,630
	<u>408,009</u>	<u>466,630</u>

7 Debtors

Amounts falling due within one year

	2013	2012
	£	£
Trade Debtors	322,512	315,002
Amounts due from London Business School	207,565	315,480
	<u>530,077</u>	<u>630,482</u>

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts owed to London Business School	408,009	466,630
Gift aid		
Accruals and deferred income	143,699	184,233
Branded Gift Shop Gift Vouchers	2,650	-
	<u>554,358</u>	<u>650,863</u>

9 Share capital

	2013 £	2012 £
Ordinary shares of £1		
- authorised	100,000	100,000
- allotted, called up and fully paid	<u>91,304</u>	<u>91,304</u>

10 Related parties

The Company has taken advantage of the exemptions contained in FRS8 not to disclose transactions with related parties as its results are consolidated within the financial statements of London Business School and disclosed therein

11 Controlling entity

The parent and ultimate controlling organisation is London Business School. Copies of the consolidated financial statements of London Business School may be obtained from The Secretary, Sussex Place, Regent's Park, London NW1 4SA