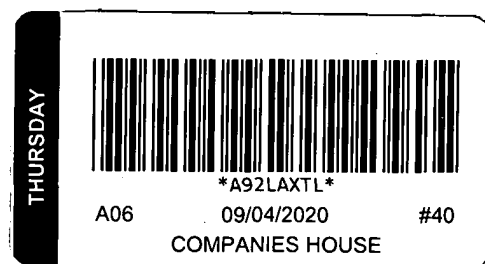


**London Business School Trading
Company Limited**

Annual report and financial statements

For the year ended 31 July 2019

Registered number 4029996



London Business School Trading Company Limited

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London Business School Trading Company Limited

Directors' report for the year ended 31 July 2019

Review of activities

The 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 company is fully owned by the London Business School.

There were two main income sources. The company carries out events for the promotion and benefit of London Business School which are sponsored by third parties. These events are undertaken once sponsorship has been confirmed. Expenditure is not incurred unless there is confirmation of income. During the year sponsorship income totalled £560,000 (2018: £617,000)

The second income source was the operation of an on-line shop. Stock levels are kept low to minimise obsolescence. Turnover remains low, and in June 2019 the business was transferred to the London Business School as per decision of the board taken in 2018. The remaining stock was sold at cost to the School.

All profits are gift aided to London Business School.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Mr. Christopher Deacon
Mr. Richard Frost
Ms Tracy Siu

Proposed dividend

The directors do not recommend the payment of a dividend.

Employees

There are no employees; where necessary the company purchases services from London Business School.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

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.

Other information

The outlook is to continue trading in a similar manner. The risks have been minimised by only trading on receipt of sponsorship.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

London Business School Trading Company Limited

Independent Auditors'

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

Small company provisions

This report has been prepared in accordance with special provisions for small companies under Companies Act 2006 Part 15 Chapter 5, Directors' reports relating to small entities.

By order of the board



Katherine Muller

Secretary

Sussex Place
Regents Park
London
NW1 4SA
December 2019

London Business School Trading Company Limited

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising *FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"*, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

London Business School Trading Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, London Business School Trading Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2019; the Profit and Loss Account, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

London Business School Trading Company Limited

Report on the audit of the financial statements (continued)

Reporting on other information (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report for the year ended 31 July 2019, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report for the year ended 31 July 2019

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report for the year ended 31 July 2019.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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 an auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to

London Business School Trading Company Limited

Report on the audit of the financial statements (continued)

Use of this report (continued)

whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report for the year ended 31 July 2019; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Ian Looker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 December 2019

London Business School Trading Company Limited

Profit and Loss Account for the year ended 31 July 2019

	Notes	2019 £'000 Continuing operations	2019 £'000 Discontinued operations	2019 £'000 Total	2018 £'000 Total
Turnover	2	560	15	575	620
Cost of sales		(428)	(13)	(441)	(469)
Gross profit		132	2	134	151
Administrative expenses		(6)	-	(6)	(7)
Profit before taxation		126	2	128	144
Tax on profit	6	-	-	-	-
Profit for the financial year		126	2	128	144

The discontinued operations relate to the transfer of the online shop business to London Business School. (All of the company's activities in 2018 are derived from continuing operations).

There is no other comprehensive income in the year other than those in the profit and loss account above.

The notes on pages 12 to 16 form part of these financial statements.

London Business School Trading Company Limited

Balance Sheet as at 31 July 2019

(Registered company number 4029996)

	Notes	2019	2018
		£'000	£'000
Current assets			
Stock	7	-	8
Debtors	8	430	440
Cash at bank and in hand		1	1
		<u>431</u>	<u>449</u>
Creditors: amounts falling due within one year	9	<u>(382)</u>	<u>(400)</u>
Net assets		<u><u>49</u></u>	<u><u>49</u></u>
Capital and reserves			
Called up share capital	10	10	10
Profit and Loss account		<u>39</u>	<u>39</u>
Total shareholders' funds		<u><u>49</u></u>	<u><u>49</u></u>

These financial statements set out on page 9 to 16 approved by the board of directors on 13/12/2019 and were signed on its behalf by:



Tracy Siu
Director

Company registered number: 4029996

The notes on pages 12 to 16 form part of these financial statements.

London Business School Trading Company Limited

Statement of Changes in Equity for the year ended 31 July 2019

	Share Capital £'000	Profit and Loss Account £'000	Total Equity £'000
Brought forward at 1 August 2017	10	39	49
Profit for the year	-	144	144
Current tax charge	-	(27)	(27)
Gift Aid payment	-	(144)	(144)
Current tax credit	-	27	27
Effect of Gift Aid	-	(117)	(117)
Carried forward at 31 July 2018	10	39	49

	Share Capital £'000	Profit and Loss Account £'000	Total Equity £'000
Brought forward at 1 August 2018	10	39	49
Profit for the year	-	128	128
Current tax charge	-	(24)	(24)
Gift Aid payment	-	(128)	(128)
Current tax credit	-	24	24
Effect of Gift Aid	-	(104)	(104)
Carried forward at 31 July 2019	10	39	49

The notes on pages 12 to 16 form part of these financial statements.

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2019

1 Accounting policies

London Business School Trading Company Limited is a private company limited by shares and incorporated and domiciled in the England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and the companies act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, London Business School includes the Company in its consolidated financial statements. The consolidated financial statements of London Business School are prepared in accordance with FRS 102 and Higher Education/Further Education Statement of Recommended Practice and are available to the public and may be obtained from Sussex Place, Regents Park, London NW1 4SA.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

The company has net assets of £49,000 and positive reserves of £39,000. It has positive bank balances, uncomplicated circumstances and little or no exposure to economic difficulties that may impact the going concern assumptions.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2019 (*continued*)

1 Accounting policies (*continued*)

1.4 Basic financial instruments

Trade and other debtors

Trade and other receivables are recognised initially at transaction price less attributable transaction costs.

Trade and other creditors

Trade and other payables are recognised initially at transaction price less attributable transaction costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.5 Stocks

Stocks were stated at the lower of cost and estimated selling price less costs to sell.

1.6 Taxation

No provision has been made for current or deferred tax on the grounds that the Company transfers its taxable profits by gift aid to London Business School and therefore no tax asset or liability will be realised in the company. Gift aid donations will only be made if the company has positive distributable reserves.

1.7 Turnover

Turnover, which is stated net of VAT, is the invoiced value of goods and services applied by the company.

1.8 Discontinued Operations

At the Annual general meeting held on 31 October 2017 the board approved the transfer of the online shop from the Trading Company to operating under London Business School.

The transfer was finalised on 01/06/2019 and the online shop activities are reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of transfer are included in the current financial statements.

2 Turnover

	2019 £'000 Continuing operations	2019 £'000 Discontinued operations	2019 £'000 Total	2018 £'000 Total
Sale of goods	-	15	15	3
Rendering of services	560	-	560	617
Total turnover	560	15	575	620

All turnover is based in the United Kingdom.

The discontinued operations turnover is related to the online shop revenue before the transfer of the operations to London Business School.

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2019 (continued)

3 Auditors' remuneration

	2019	2018
	£000	£000
Audit of these financial statements	3	3

4 Staff numbers and costs

No persons were employed by the Company (including directors) during the year (2018: nil).

5 Directors' remuneration

	2019	2018
	£000	£000
Directors' remuneration	-	-

6 Taxation

	2019 £'000 Continuing operations	2019 £'000 Discontinued operations	2019 £'000 Total	2018 £'000 Total
Current tax on income for the year	24	-	24	27
Tax credit on Gift Aid	(24)	-	(24)	(27)
Total tax	-	-	-	-

The discontinued operations tax is the charge calculated on the operation of the online shop.

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2019 (continued)

6 Taxation (continued)

Reconciliation of effective tax rate

	2019	2019	2019	2018
	£'000	£'000	£'000	£'000
	Continuing operations	Discontinued operations	Total	Total
Profit before taxation	126	2	128	144
Tax using the UK corporation tax rate of 19%	24	-	24	27
Tax recognised directly in gift aid	(24)	-	(24)	(27)
Total tax expense	-	-	-	-

7 Stocks

	2019	2018
	£000	£000
Finished goods	-	8

8 Debtors

	2019	2018
	£000	£000
Trade debtors	1	7
Amounts owed by London Business School	429	433
	430	440
Due within one year	430	440
	430	440

London Business School Trading Company Limited

Notes to the financial statements for the year ended 31 July 2019 (*continued*)

9 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Gift Aid payable to parent, London Business School	128	144
Accruals and deferred income	254	254
Branded Gift Shop Gift Vouchers	-	2
	<u>382</u>	<u>400</u>

All online gift vouchers were transferred to London Business School at the day of the transfer of operations.

10 Called up share capital

Share capital	2019 £000	2018 £000
<i>Allotted, called up and fully paid</i>		
10,000 (2018:10,000) shares of £1 each	10	10

11 Ultimate parent company

The Company is a subsidiary undertaking of London Business School which is the ultimate controlling party. The consolidated financial statements of the group are available to the public and may be obtained from their website.

12 Related parties

The company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed details of transactions with 100% owned entities within the group.