

**LCB ENTERPRISES LIMITED**

**Directors Report and Financial Statements**

**For the year ended 31<sup>st</sup> July 2021**

**Company registration number: 06973453**

## **LCB ENTERPRISES LIMITED**

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## LCB ENTERPRISES LIMITED

### Company Information

Directors: D A Whitehead  
D N Pullein  
K M Roper  
A Kenny (resigned 31.7.2021)

Company number 06973453

Registered Office LCB Enterprises Limited  
c/o Leeds College of Building  
North Street  
Leeds  
LS2 7QT

Bankers NatWest Bank  
8 Park Row  
Leeds  
LS15 5HD

Auditor RSM UK Audit LLP  
First Floor  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

## LCB ENTERPRISES LIMITED

### Directors Report for the year to 31<sup>st</sup> July 2021

The directors present their report and audited financial statements for the year to 31<sup>st</sup> July 2021.

#### Auditors

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Principal activity

The principal activity of the company is the design and build of a new College campus.

#### Operational Summary

The company was incorporated on 27<sup>th</sup> July 2009 as LCB Enterprises Limited.

The company commenced trading on 1st August 2009 and its first report was for the year ending 31<sup>st</sup> July 2010. This report covers the period from 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2021. The next accounting period will be for the year ending 31<sup>st</sup> July 2022.

#### Financial Performance

LCB Enterprises Ltd (LCB/E) is a design and build company set up by Leeds College of Building to deliver its accommodation strategy. The company recharges all Capital build costs to the College and makes a small loss due to administration costs.

The completion of the College's South Bank 2 building in 2019 meant that there was significantly less activity through LCB Enterprises Ltd in 2020/21 and going forward this will be the case until another major build is undertaken.

#### Directors of the company

D A Whitehead

D N Pullein

K M Roper

A Kenny (resigned 31.7.2021)

#### Statement of disclosure to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 14 December 2021 and signed on its behalf by:

LCB ENTERPRISES LIMITED

Director



D A Whitehead

## **LCB ENTERPRISES LIMITED**

### **Directors' responsibilities statement**

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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 and 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;
- 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.

**Director**



**D A Whitehead**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LCB ENTERPRISES LIMITED**

### **Opinion**

We have audited the financial statements of LCB Enterprises Limited (the 'company') for the year ended 31 July 2021 which comprise income statement, balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LCB ENTERPRISES LIMITED (CONTINUED)**

### **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 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 directors' report.

### **Responsibilities of directors**

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, 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LCB ENTERPRISES LIMITED (CONTINUED)**

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to;

- testing manual journal entries and other adjustments and evaluating the business rationale,
- challenging judgements and estimates made by management in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### **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.



Richard Lewis (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Two Humber Quays  
Wellington Street West  
Hull  
HU1 2BN

17 December 2021



**LCB ENTERPRISES LIMITED**

**Income Statement for the year to 31<sup>st</sup> July 2021**

	<i>Notes</i>	<b>2021</b> £	<b>2020</b> £
Turnover		152,132	100,996
Cost of Sales		(159,607)	(100,996)
<b>Gross Loss</b>		<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 2px;"/> (7,475)	-
Administrative expenses		(1,645)	(3,584)
<b>Operating Loss</b>		<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 2px;"/> <b>(9,120)</b>	<b>(3,584)</b>
Interest payable and similar charges		-	-
<b>Loss on ordinary activities before taxation</b>		<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 2px;"/> (9,120)	(3,584)
Tax on loss on ordinary activities		-	-
<b>Loss for the financial period</b>		<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 2px;"/> <b>(9,120)</b> <hr style="width: 100%; border: 1px solid black; margin-top: 2px;"/>	<b>(3,584)</b>

There were no gains and losses other than those shown in the income statement. All results are derived from continuing operations.

The accompanying notes are an integral part of this income statement.

**LCB ENTERPRISES LIMITED – COMPANY NUMBER 06973453**

**Balance Sheet as at 31<sup>st</sup> July 2021**

		2021	2020
	<i>Notes</i>	£	£
<b>Current assets</b>			
Other debtors	4	3,265	234,684
Cash at bank		124	4,283
		<u>3,389</u>	<u>238,967</u>
<b>Creditors - amounts falling due within one year</b>	5	(104,659)	(331,117)
<b>Net current liabilities</b>		<u>(101,270)</u>	<u>(92,150)</u>
<b>Net Liabilities</b>		<u>(101,270)</u>	<u>(92,150)</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		(101,370)	(92,250)
<b>Total Equity</b>		<u>(101,270)</u>	<u>(92,150)</u>

These financial statements have been prepared in accordance with the 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 14 December 2021 and were signed on its behalf by:

LCB ENTERPRISES LIMITED  
Director



**D A Whitehead**

LCB ENTERPRISES LIMITED  
Director



**K M Roper**

## **LCB ENTERPRISES LIMITED**

### **Notes to the Financial Statements for the year to 31<sup>st</sup> July 2021**

#### **1. Company information**

LCB Enterprises Limited is a company limited by shares and was incorporated in the United Kingdom and is registered at Leeds College of Building, North Street, Leeds, LS2 7QT.

#### **2. Basis of Preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standard, including Section 1A of the Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102') and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. There were no material departures from the standard. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

##### **Going Concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future being a period of at least 12 months after the date on which the Report and Financial Statements are signed. The entity therefore continues to adopt the going concern basis in preparing its financial statements.

The company will only be addressing final defects on the South Bank 2 building in the 2021/22 year and has no plans at this stage to undertake any further developments.

The financial statements have been prepared on a going concern basis, despite the net liability position, as a letter of support has been received by the parent College, Leeds College of Building.

#### **3. Accounting Policies**

##### **Turnover**

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

##### **Deferred taxation**

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

##### **Financial Instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

## LCB ENTERPRISES LIMITED

### Notes to the Financial Statements for the year to 31<sup>st</sup> July 2021

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

#### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

#### Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### 4. Debtors: Amounts falling due within one year

	2021	2020
	£	£
Other Debtors	3,265	234,684
	<u>3,265</u>	<u>234,684</u>

#### 5. Creditors - amounts falling due within one year

	2021	2020
	£	£
Trade Payables	26,660	234,954
Accruals and deferred income	2,215	2,450
Amount owed to group undertaking	75,784	93,713
	<u>104,659</u>	<u>331,117</u>

## LCB ENTERPRISES LIMITED

### Notes to the Financial Statements for the year to 31<sup>st</sup> July 2021

#### 6. Called Up Share Capital

	2021 £	2020 £
<b>Authorised</b>		
1 Ordinary share of £1	<u>100</u>	<u>100</u>
<b>Allotted, called up and not paid</b>		
1 Ordinary share of £1	<u>100</u>	<u>100</u>

#### 7. Parent Company

The company's immediate and ultimate parent undertaking is Leeds College of Building. The company is a wholly owned subsidiary of Leeds College of Building, a corporation set up in pursuance of the Further & Higher Education Act 1992, which is also the ultimate controlling party.

LCB Enterprises Limited is included in the consolidated financial statements of Leeds College of Building being the smallest and largest group for which group accounts are drawn up.

Copies of the financial statements of Leeds College of Building may be obtained from Leeds College of Building, North Street, Leeds, LS2 7QT.