

THE LEICESTER SERVICES PARTNERSHIP LIMITED

Registered number 10524556

Annual report and financial statements

for the year ended 31 July 2019

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Company information

Directors

Gareth Oughton
Martyn Riddleston
Kirsty Woodward
Gavin Brown
David Moore
Ian Johnson
Mia Nembhard

Auditor

Ernst & Young LLP
One Colmore Square
Birmingham
B4 6HQ

Registered Office

University of Leicester
University Road
Leicester
LE1 7RH

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2019. The company information on page 1 forms part of this report. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and as a result no strategic report is presented.

Principal activity

The principal activity of the company is the operating of campus catering facilities and retail outlets for the University of Leicester and the University of Leicester Students' Union.

Results and dividends

The company activities resulted in a loss before tax of £1,038,222 (2018: £520,681). The company commenced trading on 1 May 2017 and the year ended 31 July 2018 was the first full year of trading. The directors do not recommend the payment of a dividend (2018: £nil).

Going concern

The company has net current liabilities of £1,714,664 (2018: £660,442) driven by year-end accruals, deferred income and amounts owed to parent company.

The directors have received confirmation from the parent entity that it will continue to support the company in meeting its liabilities as they fall due within the next 12 months. Acknowledging this support and having reviewed the company's forecasts and sales projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for 12 months from the date the financial statements are signed. The company has therefore adopted the going concern basis in preparing its financial statements for 2018/2019. There is a material uncertainty over whether the University of Leicester has sufficient resources available to provide the financial support that it has pledged to the Company which may cast significant doubt on the Company's ability to operate as a going concern.

The impact of Covid-19 on the company's revenues in 2019/2020 is a significant reduction in trading income and a deficit is forecast for the year to 31 July 2020. Financial support from the parent continues to underwrite the business operations until at least 31 July 2021 and the directors continue to discuss future operating model working in partnership with the parent as they reshape their teaching and learning programmes.

The directors have considered the current financial performance in 2019/2020, including a review against budget and forecast. In addition consideration has been given to the financial plan for 2020/2021 paying particular attention to any significant risks and estimates regarding student and staff footfall.

Other factors that have been considered in forming an updated view on the going concern basis of preparation are:

- the economic climate in general with a focus, but not limited to, issues affecting Higher Education and including the expected demographic upturn in number of 18 year olds attending university;
- travel bans and other social distancing measures required to be implemented in catering outlets and other physical space;
- any second wave of outbreaks and associated lockdown measures including those impacting locally in Leicester;

- the availability of various government relief mechanisms that the company is eligible for;
- changes in consumer tastes longer term, including a move towards working from home rather than commuting to offices which would impact on staff footfall in outlets and a potential reduction in the demand for catering provision at events and for meetings;
- growth in student applications based on initial clearing data alongside an increase in university rankings for the parent; and
- Cashflow, liquidity and working capital management and the continued support from the parent in providing banking services and cash availability.

At the time of signing the accounts, the impact of Covid-19 has seen almost all commercial revenues cease due to the closure of outlets in line with government guidance and a significant reduction in face to face on-campus activity. In order to mitigate fixed costs the business has accessed the government's Coronavirus Job Retention Scheme (CJRS) whilst other fixed costs have been deferred or cancelled where possible.

The expectation for 2020/2021 is a further reduction in commercial income as on-campus activity continues to be limited until at least January 2021.

Three detailed scenarios have been considered by the board in response to the increased risk posed by Covid-19 and these include the current business disruption, deterioration in economic conditions and the resulting impact on customers and ability to operate effectively during a period of lockdown and social distancing restrictions.

The directors consider the following are the key risks to the company with which it needs to work with the parent to mitigate as a response to the specific impact of the Covid-19 pandemic.

Risk	Risk Context	Mitigation
University Lockdown Exit	The Covid-19 pandemic caused the closure of all campuses from March 2020 and hence the closure of all LSP outlets. The current expectation is that there will be a phased exit of the lockdown which will not enable LSP to operate to the same pre-pandemic levels throughout the 2020/21 year.	- LSP management are reviewing the shape and size of the company's offering which will enable it to meet the needs of students arriving back on campus as part of the University's lockdown exit plan. The review incorporates the number of outlets needed to meet on campus demand and if any restructuring will enable operational efficiencies to be made.
Reduced Student Body	The impact of the pandemic will reduce the recruitment of new students for the 2020/2021 academic year	- A flexible staffing model to respond to changes in demand with staggered service opening hours to maximise efficiencies in payroll costs as student numbers flex with the academic model implemented by the parent. - Explore new income streams with internal partners such as the University's two conferencing facilities

Reduced Staff / Public Demand	It is expected that large numbers of University staff will continue to work from home. This may become a permanent fixture together with the added potential reduction in public use of campus.	<p>where synergies could be leveraged.</p> <ul style="list-style-type: none"> - The “ignite” approach to blended learning will help secure a baseline of students on campus. Together with University accommodation expecting to contract a larger number of returning students this will partially mitigate the reduced intake of students and place them close to LSP outlets. - Continue with weekly management meetings to monitor the response to the reopening of the campus by the parent in order that management can make real time business critical decisions to operate in the most efficient manner and take advantage of commercial opportunities that may arise. - Increase the feedback sought from customers to understand their needs and help deliver to their demands as they may change over time.
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Whilst it is clear there remains some uncertainty about how long and severe the impact of Covid-19 will be on the economy as a whole and the business specifically, the directors do not consider that at the date of signing the accounts the presumption of going concern should be changed. In forming this conclusion the directors have concluded that the mitigating actions available will enable the business to continue in operation for a period of at least twelve months from the date of approving the financial statements.

In July 2020 the Board reviewed various options for the operation of the business going forward. The option which was chosen identifies various activities to scale back, activities to cease and would plan for reduced staffing and service levels, and a smaller operational site from September 2021.

Directors

The directors and company secretary who held office during the period and up to the date of signature of these financial statements were as follows:

Directors	Date of appointment	Date of resignation
Kirsty Woodward	1 May 2017	
Gary Dixon	1 May 2017	1 August 2019
Martyn Riddleston	23 May 2017	
Amy Moran	1 August 2017	1 May 2019
Gareth Oughton	1 August 2017	
Gavin Brown	21 November 2018	
David Moore	21 November 2018	
Ian Johnson	1 August 2019	
Ogechi Obioha	26 June 2019	30 June 2020
Mia Nembhard	1 July 2020	
 Company Secretary		
Alexander Erdlenbruch	17 October 2018	26 April 2019

Directors' report (continued)

The University of Leicester and the University of Leicester Students' Union hold directly all the authorised and issued shares of the company, with a 50% shareholding each. Throughout the period The Leicester Services Partnership has held a directors' and officers' liability insurance policy.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

This report has been prepared in accordance with the provisions relating to small companies within part 15 of the Companies Act 2006.

Ernst & Young LLP were appointed as auditor from 5 July 2018. In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young LLP as auditor of the company is to be proposed to the board for approval.

By order of the board



Kirsty Woodward
Director
24 July 2020

Registered office
University of Leicester
University Road
Leicester
LE1 7RH

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 Financial Reporting Standard 102 (FRS 102). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEICESTER SERVICES PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Leicester Services Partnership Limited for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 13 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 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 company's affairs as at 31 July 2019 and of its loss 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 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 below. 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.

Material Uncertainty related to Going Concern

We draw attention to note 1 to the financial statements which describes the reliance which the Company has on the continuing support of the University of Leicester, and the impact of the Covid-19 pandemic. A material uncertainty exists in as to whether the University of Leicester has sufficient resources available to provide the financial support that it has pledged to the Company which may cast significant doubt on the Company's ability to operate as a going concern. Our opinion is not modified in respect of this matter.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Ernst and Young LLP

Stephen Clark (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date: 31 July 2020

Statement of Comprehensive Income
for the year ended 31 July 2019

	<i>Notes</i>	2019 £	2018 £
Turnover		6,758,785	7,668,072
Cost of sales		(3,395,305)	(3,354,905)
Gross profit		3,363,480	4,313,167
Administrative expenses		(4,401,702)	(4,833,848)
Operating loss and loss on ordinary activities before taxation		(1,038,222)	(520,681)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		(1,038,222)	(520,681)
Total comprehensive loss for the year		(1,038,222)	(520,681)

The loss for the period represents continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total
	£	£	£
Balance at 1 August 2017	200	(251,961)	(251,761)
Comprehensive loss for the period	-	(520,681)	(520,681)
Balance at 1 August 2018	200	(772,642)	(772,442)
Comprehensive loss for the year	-	(1,038,222)	(1,038,222)
Balance at 31 July 2019	200	(1,810,864)	(1,810,664)

The notes on pages 13 to 20 form part of these financial statements.

Balance Sheet
as at 31 July 2019

	<i>Notes</i>	2019	2018
		£	£
Debtors	6	138,107	71,665
Total current assets		138,107	71,665
Creditors: amounts falling due within one year	7	(1,852,771)	(732,107)
Net current liabilities		(1,714,664)	(660,442)
Total assets less current liabilities		(1,714,664)	(660,442)
Creditors: amounts falling due after one year	8	(96,000)	(112,000)
Net liabilities		(1,810,664)	(772,442)
Capital and reserves			
Called up share capital	9	200	200
Profit and loss account		(1,810,864)	(772,642)
Shareholder's deficit		(1,810,664)	(772,442)

The notes on pages 13 to 20 form part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to the small companies regime.

The financial statements of The Leicester Services Partnership Limited (Company No. 10524556) were approved by the board of directors and authorised for issue on 24 July 2020 and were signed on its behalf by:



Kirsty Woodward
 Director

Notes to the financial statements

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and prior period.

General information and basis of preparation

The Leicester Services Partnership Limited is a company incorporated in England and Wales under the Companies Act. The company is a private company limited by shares. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with section 1A Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Going concern

The company has net current liabilities of £1,714,667 (2018: £660,442) driven by year-end accruals, deferred income and amounts owed to parent company.

The impact of Covid-19 on the company's revenues in 2019/2020 is a significant reduction in trading income and a deficit is forecast for the year to 31 July 2020. At the time of signing the accounts, the impact of Covid-19 has seen almost all commercial revenues cease due to the closure of outlets in line with government guidance and a significant reduction in face to face on-campus activity. In order to mitigate fixed costs the business has accessed the government's Coronavirus Job Retention Scheme (CJRS) whilst other fixed costs have been deferred or cancelled where possible.

The directors have received confirmation from the parent entity that it will continue to support the company in meeting its liabilities as they fall due within the next 12 months. In practice this means the parent will not call on the liabilities owed by the company to the parent in the next 12 months, it will provide working capital to enable the company to continue to trade and it will continue to provide support services to enable the company to continue to function until at least 31 July 2021 as the provision of catering and retail to students is considered by the parent to be a fundamental component of the student experience at Leicester. In addition the parent will continue to work with the company to maximise opportunities for efficiencies between the two organisations.

Acknowledging this support and having reviewed the company's forecasts and sales projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for 12 months from the date the financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements for 2018/2019.

However, there is a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern. The company is reliant upon financial support from the parent entity to underwrite the business operations. The parent entity has a high degree of uncertainty over income in the following year and although has financing arrangements in place these are not yet agreed beyond 31 December 2020. There is therefore a material uncertainty over the parent entity's ability to provide financial support to the Company for the 12 months following the date of

approval of these financial statements. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

In forming their view on going concern, the directors have considered the specific risks arising from the Covid-19 pandemic which has happened since the balance sheet date. Whilst it is clear there remains some uncertainty about how long and severe the impact of Covid-19 will be on the economy as a whole and the business specifically, the directors do not consider that at the date of signing the accounts the presumption of going concern for 2018/2019 should be changed. In forming this view the directors have concluded that the mitigating actions available will enable the business to continue in operation for a period of at least twelve months from the date of approving the financial statements, although there remain uncertainties around the future prospects for the company beyond that point.

Cash flow statement

Under section 1 of FRS 102, the company has elected to take exemption from the requirement to prepare a cash flow statement on the basis that it is a qualifying entity. The parent undertaking for this entity is the University of Leicester in whose financial statements the results of the company are consolidated. A copy of the financial statements for the University of Leicester are available from: Finance Division, University of Leicester, University Road, Leicester, LE1 7RH.

Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, the value of the asset is reduced to its recoverable amount and an impairment loss is recognised in profit or loss. An assets recoverable amount is the higher of its fair value less costs to sell and its value in use.

Equipment, fixtures and fittings

Equipment, fixtures and fittings costing less than £10,000 per individual item (or group of related items) are recognised as expenditure. All other equipment, fixtures and fittings are capitalised.

Stock

No stock is held by the company. When purchases are made the title is transferred to the parent, The University of Leicester.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Contract incentives

The company entered into a ten year agreement with Academy Music Group in 2017. Incentives received in relation to the contract are recognised over the life of the agreement.

Financial instruments

The company has basic financial instruments only. Debt instruments that are classified as receivable or payable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Retirement benefits

The pension scheme is a defined contribution scheme. For defined contribution schemes the amount charged to staff costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements or sources of estimation uncertainty.

Notes to the financial statements (continued)

2 Auditor's remuneration

	2019	2018
	£	£
Audit fees (net of VAT)	<u>9,180</u>	<u>9,000</u>

£1,020 of the above fees were borne by the company's parent undertaking (2018: £1,000). The limitation on auditors' liability for external audit is £2 million. The company's external auditors were appointed in 2017/18 and the terms of engagement signed by the directors on 5 July 2018 and updated on 13 November 2019.

3 Directors' remuneration and transactions

One director (2018 nil) received remuneration of £86,025 (2018 £nil) in respect of their services to the company during the period.

There were no other transactions with directors in the period.

Where directors are employees of the University of Leicester or the University of Leicester Students' Union, their respective employer has borne the cost of any expenses payable.

4 Staff costs

	2019	2018
	£	£
Wages and salaries	2,616,577	2,772,392
Social security costs	138,915	131,775
Pension costs	167,648	119,484
	<u>2,923,140</u>	<u>3,023,651</u>

The average number of employees during the period was 86 (2018: 93).

Notes to the financial statements (continued)

5 Taxation

There is no current tax charge for the year (2018: £nil).

	2019	2018
	£	£
Current tax on loss on ordinary activities		
UK corporation tax	-	-
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>
Loss on ordinary activities before tax	(1,038,222)	(520,681)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19%	(197,262)	(98,929)
Effects of:		
Disallowable expenses	2,964	2,964
Equipment expensed in excess of capital allowances	21,889	14,823
Tax losses carried forward not recognised	173,035	72,902
Unutilised provisions	(626)	8,240
Current tax charge for the period	<u>-</u>	<u>-</u>

The standard rate of tax applied to the reported profit on ordinary activities is 19% for the year (2018: 19%).

As a result of the start-up situation, taxable losses have been incurred which are available for offset against future taxable profits.

A deferred tax asset has not been recognised in respect of these losses and provisions as it is not certain that taxable profits will arise in the immediate future. It is anticipated that in time the company will be profitable and the losses will be recovered.

The value of the deferred tax assets not recognised measured at the standard rate of 19% (2018 17%) is approximately £336,900 (2018: £126,800).

Notes to the financial statements (continued)

6 Debtors

	2019	2018
	£	£
Prepayments and accrued income	135,172	3,030
Other debtors	2,935	68,635
	138,107	71,665

7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to parent undertaking	1,678,785	315,409
Accruals and deferred income	118,848	377,157
Other taxation and social security	37,216	24,466
Other creditors	17,922	15,075
	1,852,771	732,107

8 Creditors: amounts falling due after one year

	2019	2018
	£	£
Deferred income	96,000	112,000

Deferred income due after more than one year represents an upfront signing fee received from Academy Music Group in respect of a ten year agreement.

9 Called up share capital and reserves

	2019	2018
	£	£
Allotted, called up and unpaid: 200 ordinary shares of £1 each	200	200

The company has one class of ordinary shares which carry no right to fixed income.

The company's reserves are the profit and loss reserve which represents cumulative profits or losses only.

Notes to the financial statements (continued)

10 Retirement benefit schemes

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charged to profit or loss in the year was £167,648 (2018: £119,484). At 31 July 2019 there were £15,662 (2018: £14,143) of accrued contributions due for payment after the year end.

11 Related party transactions

The total remuneration for key management personnel in the period totalled £86,025 (2018: £90,249).

During the period the company purchased goods and services in the ordinary course of business from related parties as follows:

	Relationship	2019		
		Income	Expenditure	Balance due to / (from) the company
		£	£	£
University of Leicester	Shareholder	5,335,222	4,142,965	(1,678,783)
University of Leicester Students' Union	Shareholder	744	92,146	100
TUCO Organisation Ltd	Shared Director	-	1,676	-
College Court Conference Centre Ltd	Shared Director	99	-	-
Total		5,336,065	4,236,787	(1,678,683)

Prior year comparison as follows:

	Relationship	2018		
		Income	Expenditure	Balance due to / (from) the company
		£	£	£
University of Leicester	Shareholder	5,992,823	4,087,905	(315,409)
University of Leicester Students' Union	Shareholder	7,693	67,068	67,352
TUCO Organisation Ltd	Shared Director	-	-	-
College Court Conference Centre Ltd	Shared Director	-	3,450	-
Total		6,000,516	4,158,423	(248,057)

The amount due from the University of Leicester Students' Union represents the consideration for 50 per cent of the company's share capital.

TUCO is a related party as of 2019.

12 Controlling party

The share capital of the company is held 50 per cent by the University of Leicester and 50 per cent by the University of Leicester Students' Union. The University of Leicester is the ultimate controlling party on the basis that it can exercise a majority of voting rights. The University of Leicester is the parent of the largest and smallest group for which consolidated financial statements are drawn up of which the company is a member. A copy of the financial statements for the University of Leicester, into which these accounts consolidate, is available from: Finance Division, University of Leicester, University Road, Leicester, LE1 7RH, its registered address.

13 Subsequent events

Since the end of the financial year, the Covid-19 pandemic has hit the United Kingdom and the directors have, and continue, to consider its impact on the future viability of the business including necessary changes in operating models and activity. This is considered to be a non-adjusting event and there are no implications for the valuation of balances in the financial statements. Note 1 Accounting policies includes information on the going concern assessment by the directors and the uncertainty around the future viability of the company that exists.