

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2018**

**Registered Number: 09269110**



## **BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**

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**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**COMPANY INFORMATION**

Directors	Keith Willett Jeremy Tanner Katharine Bock
Company Secretary	Ms Katharine Bock
Company Number	09269110 (England and Wales)
Registered Office	Birkbeck College, University of London Malet Street London WC1E 7HX
Auditors	KPMG LLP, statutory auditor Chartered Accountants 15 Canada Square Canary Wharf London, E14 5GL
Bankers	Natwest Tavistock House Tavistock Square London WC1H 9JA
Solicitors	Wedlake Bell LLP 52 Bedford Row WC1R 4LR

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED**  
**31 OCTOBER 2018**

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018**

**PRINCIPAL ACTIVITIES**

The principal activity of the company in the period under review was to hold and develop the building known as Cambridge House in accordance with the plans of the parent company, Birkbeck College. The Company was incorporated on the 17 October 2014, registered Company number 09269110.

**DIRECTORS**

The directors who served during the period are:

Keith Willett  
Jeremy Tanner  
Katharine Bock

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to the members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The company's strategic focus is the capital redevelopment of the Cambridge House site and exists to hold the stock and work in progress. Planning permission for redevelopment of the site has been received and construction is planned to commence in 2018.

**GOING CONCERN**

The College, as the company's ultimate parent entity and controlling party, is aware that the company will continue to incur costs during the current year and has agreed to meet the liabilities of the company as they fall due for a period not less than one year after the signing of the accounts. There are no bank loans and there is sufficient cash to cover the company's short term liabilities as they fall due. Accordingly, the directors are confident that the business can continue to operate successfully for the foreseeable future.

**RESULTS AND DIVIDENDS**

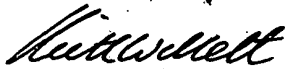
The company reports a profit of £146,412 for the year ended 31 October 2018. The directors remain optimistic about the long term prospect for development of Birkbeck College (Cambridge House) Limited.

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018 (Continued)**

The directors have not recommended a dividend in the current financial year or prior period.

This report was approved by the board and signed on its behalf.

**Mr Keith Willett**  
Director



Malet Street,  
London  
WC1E 7HX

Date 5-7-19

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**

### **Opinion**

We have audited the financial statements of Birkbeck College (Cambridge House) Limited ("the company") for the year ended 31 October 2018, which comprise the Statement of Financial Position, Income Statement and related notes, including the accounting policies in note 1. In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1.1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



Fleur Nieboer (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London E14 5GL  
|| July 2019



**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2018**

	Note	2018 £'s	2017 £'s
Turnover		-	-
Cost of Sales		-	-
<b>OPERATING PROFIT</b>		-	-
Administrative Expenses	2	146,412	(255,571)
<b>PROFIT /(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>146,412</b>	<b>(255,571)</b>
Tax on profit on ordinary activities	9	-	-
<b>PROFIT /(LOSS) FOR THE FINANCIAL YEAR</b>	10	<b>146,412</b>	<b>(255,571)</b>

All amounts relate to continuing operations.

The notes on pages 11 to 14 form part of these financial statements.

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2018**

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Current Assets</b>					
Stock	4	17,659,278		14,214,737	
Debtors	5	-		50,844	
Cash at bank and in hand		60,093		86,342	
		<u>17,719,371</u>		<u>14,351,923</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(2,931,286)</u>		<u>(117,503)</u>	
<b>Net Current Assets</b>			<u>14,788,085</u>		<u>14,234,420</u>
<b>Total Assets less Current Liabilities</b>			<u>14,788,085</u>		<u>14,234,420</u>
<b>Creditors: Amounts falling due after more than one year</b>	7		<u>(1,231,125)</u>		<u>(823,872)</u>
<b>NET ASSETS</b>			<u>13,556,960</u>		<u>13,410,548</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		14,650,001		14,650,001
Profit and loss account	10		(1,093,041)		(1,239,453)
<b>SHAREHOLDERS' FUNDS</b>			<u>13,556,960</u>		<u>13,410,548</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr Keith Willett  
Director

Date 5-7-19

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

Birkbeck College (Cambridge House) Ltd is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with section 1A of the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in September 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, Birkbeck College, includes the Company in its consolidated financial statements. The consolidated financial statements of Birkbeck College are 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 September 2015. These are available to the public and may be obtained from Birkbeck College, Malet Street, Bloomsbury, London, WC1E 7HX. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

There are no bank loans and there is sufficient cash to cover short-term liabilities.

The College, as the company's parent entity and ultimate controlling party, has agreed to meet the liabilities of the company as they fall due. As such, directors have assurance that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they adopted the going concern basis in preparing the annual report and accounts.

**1.2 Stock and Work in Progress**

Stock and Work in Progress is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on expenditure acquired in bringing the stock to its present location and condition. Inventories held for distribution at no or nominal consideration shall be measured at the lower of cost adjusted, when applicable, for any loss of service potential and replacement cost.

**1.3 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, and any adjustment to tax payable in respect of previous years.

The company has made a profit of £146,412 in this financial period however there is no taxation due to reliefs claimed for losses brought forward.

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**  
**(Continued)**

**2. EXPENSES AND AUDITORS REMUNERATION**

Included in the income statement are the following:

	2018 £	2017 £
Auditors Remuneration		
Financial statements audit	5,369	5,197

During the year Administrative Expenses of £251,734 were incurred. A refund of £398,146 was received following a re-assessment of Business Rates, this refund is included within Administrative Expenses total of £146,412.

**3. STAFF COSTS**

The company has no employees other than the directors of the company, who did not receive any remuneration. The directors are remunerated by the parent company, Birkbeck College.

**4. STOCK AND WORK IN PROGRESS**

	£
Balance at 1 November 2017	14,214,737
Additions during the year	<u>3,444,541</u>
Balance as at 31 October 2018	<u>17,659,278</u>

**5. DEBTOR**

	2018 £	2017 £
HMRC – VAT recovery	-	50,844

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Accruals	215,964	117,503
HMRC – VAT repayment	<u>2,715,322</u>	<u>-</u>
	<u>2,931,286</u>	<u>117,503</u>

During the year a new VAT Group was formed by the parent company effective 1 July 2018 and the existing VAT Registration for the company was deregistered. VAT of £2,715,322 recovered on stock held is due to be repaid to HMRC and has been included in creditors. This will be loaned to the company by Birkbeck College, the parent company.

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**  
**(Continued)**

**7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Loan – Birkbeck College (parent)	1,231,125	823,872

**8. CALLED UP SHARE CAPITAL**

	2018 £	2017 £
Allotted, called up and fully paid 14,650,001 Ordinary Shares of £1 each	<u>14,650,001</u>	<u>14,650,001</u>

On 11 June 2015, 14,650,000 ordinary shares at par of £1 each were issued to the immediate parent entity, Birkbeck College, on acquisition of the company.

**9. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES**

	2018 £	2017 £
Current Tax	-	-
Total tax per income statement	<u>-</u>	<u>-</u>
The charge for the year can be reconciled to the profit per the income statement as follows:		
Profit /(Loss) for the period	<u>146,412</u>	<u>(255,571)</u>
Tax on profit at the standard UK tax rate of 19.41% (2017: 19.44%)	27,818	(49,616)
Effects of Movement in unrecognised deferred tax	(27,818)	49,616
Tax charge for the year	<u>-</u>	<u>-</u>

The company has not recognised a deferred tax asset in respect of utilised tax losses because it is not probable that future taxable profit will be available to utilise the loss. The company has a loss of £772,044 (2017: £918,456) that is available to carry forward.

As at 31 October 2018, two corporation tax rates had been substantively enacted. A reduction in the UK corporation tax rate from 19% to 17% has been announced (effective from 1 April 2020). This will reduce the company's future current tax charge accordingly.

**BIRKBECK COLLEGE (CAMBRIDGE HOUSE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**  
(Continued)

**10. STATEMENT ON MOVEMENTS ON PROFIT AND LOSS ACCOUNT**

	2018 £
Balance at 1 November 2017	(1,239,453)
Profit for the year	146,412
Balance as at 31 October 2018	<u>(1,093,041)</u>

**11. RELATED PARTY TRANSACTIONS**

Birkbeck College (Cambridge House) Limited is wholly owned and controlled by the parent company, Birkbeck College. The company has taken advantage of the exemption conferred by FRS 102 33.1A from disclosing related party transactions on the basis that the consolidated financial statements in which the company is included are publicly available. There are no other related parties transactions other than transactions with the parent company, Birkbeck College.

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

In the opinion of the directors, the company's ultimate parent entity and ultimate controlling party is the Birkbeck College, University of London. The parent undertaking of the largest and smallest group, which includes the company and for which the group accounts are prepared, is Birkbeck College, University of London. Copies of the group financial statements are available from the Director of Finance, Birkbeck College, Malet Street, Bloomsbury, London WC1E 7HX.