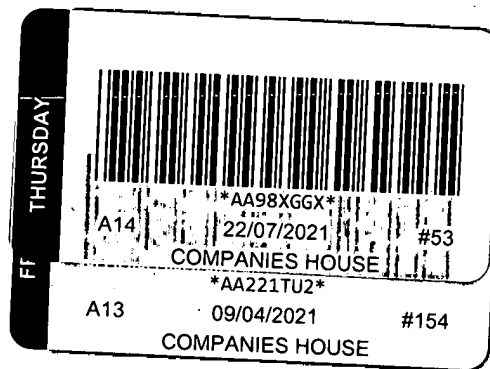


Company Registration No. 08824163 (England and Wales)

**UCFB HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**



# UCFB HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Banaszkiewicz B Flood P Fletcher C Holroyd
<b>Company number</b>	08824163
<b>Registered office</b>	14th Floor 111 Piccadilly Manchester M1 2HY
<b>Auditor</b>	Lopian Gross Barnett & Co 1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS
<b>Business address</b>	14th Floor 111 Piccadilly Manchester M1 2HY  UCFB Wembley Wembley Stadium Wembley London HA9 0WS  UCFB Manchester Etihad Campus Manchester M11 3FF
<b>Solicitors</b>	Beswicks Solicitors LLP Sigma House Lakeside Festival Park Stoke-on-Trent ST1 5RY

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# **UCFB HOLDINGS LIMITED**

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# UCFB HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 JULY 2020

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The directors present the strategic report for the year ended 31 July 2020.

#### **Fair review of the business, business development and performance**

The group's principal activities during the year continued to be the delivery of undergraduate and postgraduate degree courses in the operational and business facets of football and its associated industries. The courses are delivered through UCFB College of Football Business Limited.

UCFB College of Football Business Limited, a wholly owned subsidiary of UCFB Holdings Limited, is a College of Buckinghamshire New University Higher Education Corporation (BNU). UCFB College of Football Business Ltd has agreed a new validation partnership with the University of East London (UEL) and all undergraduate and post graduate students enrolling from September 2021 will work towards a UEL validated degree. Existing students will be taught out with Buckingham University as their validating partner.

Turnover fell by less than 1% during the year despite the student intake numbers falling by 2% and the students on campus falling by 1%. The global pandemic is affecting all sectors of the economy besides Higher Education. The global pandemic impacts on UCFB has been managed by the business through the introduction of robust and dynamic delivery plans that reacted to the restrictions placed upon each Campus. The business has seen the benefit of the dynamic delivery options with student numbers increasing by 50% for the intake for the academic year starting in September 2020.

UCFB often incurs expenditure with the objective of diversifying and growing the business, for example establishing different programmes in order to appeal to a wider range of students. It has always been the view of the directors that this expenditure leads to future value and therefore meets the definition of an asset. However, in compliance with Accounting Standards such costs are expensed as incurred in the Profit and Loss Account.

Investment in staff continues to support and enhance the student experience. Staff head count has increased by 10% from 207 to 227 during the year for the group.

#### **Principal risks and uncertainties**

The financial environment for Higher Education remains challenging within the sector but also through the impact of the wider economy both domestically and internationally. There is currently an ongoing funding review of the Higher Education Sector by the Government that we are continually monitoring to ensure we have the most up to date and relevant information regarding this review.

With regard to Brexit, there is still uncertainty surrounding the impact on EU students being taught in the higher education in the UK, and in particular whether EU students will also be able to access financial support for the duration of their course on the same basis as is available today. In 2019/20 the current number of EU students who receive student finance in the total student population is 3.14% so the impact of any change in policy will be minimal to UCFB.

UCFB continues to be in a strong position in terms of it being a world first as a pioneer of a higher education institution located within football stadia that aims to professionalise the back office operations of football and sport, and bringing education into the work place environment of sport. Additionally, through the partnerships UCFB has developed with brand leaders it is confident that it can respond to emerging threats and develop new opportunities both in the domestic and international markets.

The risks and uncertainties the group face as a business are managed on a number of levels. UCFB and BNU have established a Strategic Board which considers, agrees and monitors the implementation of annual activity in accordance with the long term strategic direction. Also, UCFB and BNU have established an Operations Board to consider, agree and monitor the quality and effectiveness of all aspects of operational delivery. These boards meet on a regular basis throughout the year.

## UCFB HOLDINGS LIMITED

### STRATEGIC REPORT (CONTINUED)

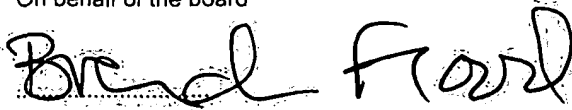
**FOR THE YEAR ENDED 31 JULY 2020**

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#### Principal risks and uncertainties (continued)

Within UCFB the Board of Directors convene on a regular basis to review and monitor the group's risk appetite. Additionally, during this year the Executive Strategy Board and a Senior Management Committee meet on a weekly basis to support the Board in its business development and risk management. The principal risks which the group monitor are competitive risk, legislative risk, financial instrument risk and exposure to price, credit and cash flow risk.

On behalf of the board



B Flood

Chairman

24.02.21

# UCFB HOLDINGS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 JULY 2020**

The directors present their annual report and financial statements for the year ended 31 July 2020.

### Principal activities

The group are predominantly Colleges of Buckinghamshire New University Higher Education Corporation with the principal activity of the delivery of undergraduate and postgraduate degree courses in the operational and business facets of football and its surrounding industries.

### Directors

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

J Banaszkiwicz  
B Flood  
P Fletcher  
C Holroyd

### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### Auditor

Lopian Gross Barnett & Co are the appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



B Flood

Chairman

Date: 24/02/21

## **UCFB HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 JULY 2020***

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# UCFB HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF UCFB HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of UCFB Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 state of the group's and the parent company's affairs as at 31 July 2020 and of the group's 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. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 group's or the parent 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.

#### Other information

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

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 this other information, we are required to report that fact.

We have nothing to report in this regard.



# UCFB HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF UCFB HOLDINGS LIMITED

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### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

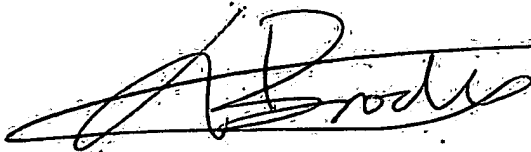
## **UCFB HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF UCFB HOLDINGS LIMITED**

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#### **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.



**Jonathan Brodie (Senior Statutory Auditor)**  
for and on behalf of Lopian Gross Barnett & Co

1 March 2021

**Chartered Accountants**  
**Statutory Auditor**

1st Floor, Cloister House  
Riverside  
New Bailey Street  
Manchester  
M3 5FS

# UCFB HOLDINGS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Turnover	3	20,424,200	20,470,518
Cost of sales		(7,817,604)	(7,863,754)
<b>Gross profit</b>		<b>12,606,596</b>	<b>12,606,764</b>
Administrative expenses before amortisation, depreciation, business development costs and exceptional items		(9,162,526)	(9,217,015)
Other operating income		33,147	
<b>Operating profit before amortisation, depreciation, business development costs and exceptional expenses</b>		<b>3,477,217</b>	<b>3,389,749</b>
Amortisation, depreciation and business development costs		(4,321,383)	(2,625,577)
Exceptional item - Termination of contract	4	(133,508)	
<b>Operating (loss)/profit</b>	5	<b>(977,674)</b>	<b>764,172</b>
Interest receivable and similar income	8	35,175	18,228
Interest payable and similar expenses	9	(1,833,054)	(1,308,063)
<b>Loss before taxation</b>		<b>(2,775,553)</b>	<b>(525,663)</b>
Tax on loss	10	170,760	102,126
<b>Loss for the financial year</b>		<b>(2,604,793)</b>	<b>(423,537)</b>
Loss for the financial year is attributable to:			
- Owners of the parent company		(2,491,668)	(400,639)
- Non-controlling interests		(113,125)	(22,898)
		<b>(2,604,793)</b>	<b>(423,537)</b>

# UCFB HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	2020 £	2019 £
Loss for the year	(2,604,793)	(423,537)
Other comprehensive income		
Total comprehensive income for the year	<u>(2,604,793)</u>	<u>(423,537)</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(2,491,668)	(400,639)
- Non-controlling interests	<u>(113,125)</u>	<u>(22,898)</u>
	<u>(2,604,793)</u>	<u>(423,537)</u>

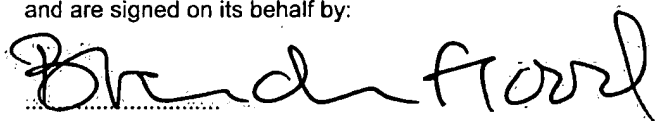
# UCFB HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Goodwill	11	1,087,709		568,049	
Other intangible assets	11	3,598,672		3,893,405	
Total intangible assets		4,686,381		4,461,454	
Tangible assets	12	3,804,403		1,527,856	
		8,490,784		5,989,310	
<b>Current assets</b>					
Debtors	15	2,788,867	2,879,294		
Cash at bank and in hand		4,009,302	3,011,410		
		6,798,169	5,890,704		
<b>Creditors: amounts falling due within one year</b>	16	(8,562,159)	(5,010,264)		
<b>Net current (liabilities)/assets</b>		(1,763,990)		880,440	
<b>Total assets less current liabilities</b>		6,726,794		6,869,750	
<b>Creditors: amounts falling due after more than one year</b>	17	16,713,734		14,251,897	
<b>Capital and reserves</b>					
Called up share capital	21	8,079	8,079		
Share premium account		5,847,651	5,847,651		
Profit and loss reserves		(15,548,856)	(13,057,188)		
<b>Equity attributable to owners of the parent company</b>		(9,693,126)		(7,201,458)	
<b>Non-controlling interests</b>		(293,814)		(180,689)	
		6,726,794		6,869,750	

The financial statements were approved by the board of directors and authorised for issue on 24.02.21 and are signed on its behalf by:



B Flood  
Chairman

# UCFB HOLDINGS LIMITED

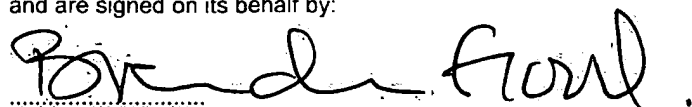
## COMPANY BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		9,609		15,406
Investments	13		618,142		4,957
			<u>627,751</u>		<u>20,363</u>
<b>Current assets</b>					
Debtors	15	10,455,614		8,402,552	
Cash at bank and in hand		3,777,716		2,359,122	
		<u>14,233,330</u>		<u>10,761,674</u>	
<b>Creditors: amounts falling due within one year</b>	16	(2,354,066)		(996,571)	
<b>Net current assets</b>		<u>11,879,264</u>		<u>9,765,103</u>	
<b>Total assets less current liabilities</b>		<u>12,507,015</u>		<u>9,785,466</u>	
 <b>Creditors: amounts falling due after more than one year</b>	17		8,296,947		4,796,947
 <b>Capital and reserves</b>					
Called up share capital	21	8,079		8,079	
Share premium account		5,847,651		5,847,651	
Profit and loss reserves		(1,645,662)		(867,211)	
<b>Total equity</b>		<u>4,210,068</u>		<u>4,988,519</u>	
		<u>12,507,015</u>		<u>9,785,466</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £778,451 (2019 - £441,154 loss).

The financial statements were approved by the board of directors and authorised for issue on 24.02.21 and are signed on its behalf by:



B Flood  
Chairman

Company Registration No. 08824163

# UCFB HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
<b>Balance at 1 August 2018</b>	8,079	5,848,251	(12,656,549)	(6,800,219)	-	(6,800,219)
<b>Year ended 31 July 2019:</b>						
Loss and total comprehensive income for the year	-	-	(400,639)	(400,639)	(22,898)	(423,537)
Costs associated with issue of share capital	-	(600)	-	(600)	-	(600)
Transfer in of non-controlling interest pre-acquisition reserves	-	-	-	-	(157,791)	(157,791)
<b>Balance at 31 July 2019</b>	8,079	5,847,651	(13,057,188)	(7,201,458)	(180,689)	(7,382,147)
<b>Year ended 31 July 2020:</b>						
Loss and total comprehensive income for the year	-	-	(2,491,668)	(2,491,668)	(113,125)	(2,604,793)
<b>Balance at 31 July 2020</b>	8,079	5,847,651	(15,548,856)	(9,693,126)	(293,814)	(9,986,940)

# UCFB HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 August 2018</b>	8,079	5,848,251	(426,057)	5,430,273
<b>Year ended 31 July 2019:</b>				
Loss and total comprehensive income for the year	-	-	(441,154)	(441,154)
Costs associated with issue of share capital	-	(600)	-	(600)
<b>Balance at 31 July 2019</b>	8,079	5,847,651	(867,211)	4,988,519
<b>Year ended 31 July 2020:</b>				
Loss and total comprehensive income for the year	-	-	(778,451)	(778,451)
<b>Balance at 31 July 2020</b>	8,079	5,847,651	(1,645,662)	4,210,068



# UCFB HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	3,873,124		2,838,814	
Interest paid		(1,646,513)		(1,168,466)	
Income taxes refunded/(paid)		134,866		-	
<b>Net cash inflow from operating activities</b>		<b>2,361,477</b>		<b>1,670,348</b>	
<b>Investing activities</b>					
Transfer in of non-controlling interest pre-acquisition reserves		-	(157,791)		
Purchase of intangible assets	(1,586,355)		(2,660,811)		
Purchase of tangible fixed assets	(2,250,525)		(51,261)		
Interest received	6,504		3,462		
Dividends received	13,500		-		
<b>Net cash used in investing activities</b>		<b>(3,816,876)</b>		<b>(2,866,401)</b>	
<b>Financing activities</b>					
Costs associated with the issue of shares			(600)		
Proceeds from borrowings			1,827,812		
Repayment of borrowings			(130,881)		
Proceeds of new bank loans	3,500,000		1,007,878		
Repayment of bank loans	(955,356)		-		
Payment of finance leases obligations	(91,353)		(373,719)		
<b>Net cash generated from financing activities</b>		<b>2,453,291</b>		<b>2,330,490</b>	
<b>Net increase in cash and cash equivalents</b>		<b>997,892</b>		<b>1,134,437</b>	
Cash and cash equivalents at beginning of year		3,011,410		1,876,973	
<b>Cash and cash equivalents at end of year</b>		<b>4,009,302</b>		<b>3,011,410</b>	

# UCFB HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	27	(1,093,875)		(716,402)	
Interest paid		(393,348)		(310,002)	
<b>Net cash outflow from operating activities</b>		<b>(1,487,223)</b>		<b>(1,026,404)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(1,253)		(12,594)	
Proceeds on disposal of intangibles				6,060	
Purchase of subsidiaries		(613,185)		(82)	
Interest received		6,755		14,781	
Dividends received		13,500		-	
<b>Net cash (used in)/generated from investing activities</b>		<b>(594,183)</b>		<b>8,165</b>	
<b>Financing activities</b>					
Costs associated with the issue of shares				(600)	
Proceeds from borrowings				1,696,931	
Proceeds of new bank loans		3,500,000			
<b>Net cash generated from financing activities</b>		<b>3,500,000</b>		<b>1,696,331</b>	
<b>Net increase in cash and cash equivalents</b>		<b>1,418,594</b>		<b>678,092</b>	
Cash and cash equivalents at beginning of year		2,359,122		1,681,030	
<b>Cash and cash equivalents at end of year</b>		<b>3,777,716</b>		<b>2,359,122</b>	

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 JULY 2020**

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### **1 Accounting policies**

#### **Company information**

UCFB Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 14th Floor 111 Piccadilly, Manchester, M1 2HY.

The group consists of UCFB Holdings Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of UCFB Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

Firstpoint International Limited has been included in the group financial statements using the purchase method of accounting from the date of acquisition on 1 August 2018. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Firstpoint International Limited the year ended 31 July 2019. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition. VSI Executive Education Limited has been included in the group financial statements using the purchase method of accounting from the date of acquisition on 1 May 2020. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of VSI Executive Education Limited the three months ended 31 July 2020. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

#### 1.3 Going concern

The directors confirm that they have the continued support of their loan capital providers and in addition secured long term funding to enable the directors to implement the planned growth of the company and its fellow group members. On that basis and from their forecasts the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and it is therefore appropriate to prepare the accounts on a going concern basis.

#### 1.4 Turnover

Turnover represents amounts receivable for tuition and course fees and services provided. Tuition fees paid in advance are recognised evenly over the financial year while course fees are recognised at the time the event takes place.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 Years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Intangible fixed assets other than goodwill

Development costs relate to the development of the group's website, Customer Relation Management system and other IT support functions. Amortisation commences as the specific project goes live.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	Straight line over 3 years
Intangibles	Straight line over 3 years from the project going live

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings Leasehold	Straight line over 10 years or remaining term of lease if less
Coaching equipment	Straight line over 5 years
Fixtures, fittings & office equipment	Straight line between 3 - 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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, which include debtors and cash and bank balances, 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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 group 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 group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

#### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 1 Accounting policies

(Continued)

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of fixed assets or deferred against future income.

The cost of any unused holiday entitlement, where material, is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 3 Turnover and other revenue

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Tuition fees	18,596,567	18,774,057
Scholarships	719,898	1,574,260
Student union income	19,395	35,873
Rental income	75,000	75,000
Sundry income	1,013,340	11,328
	<u>20,424,200</u>	<u>20,470,518</u>

	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	21,675	18,228
Dividends received	13,500	-
Grants received	33,147	-
	<u>68,322</u>	<u>18,228</u>

### 4 Exceptional item

	2020	2019
	£	£
<b>Expenditure</b>		
Termination of contract	133,508	-
	<u>133,508</u>	<u>-</u>

### 5 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	12,988	(1,719)
Research and development costs	20,917	-
Government grants	(33,147)	-
Depreciation of owned tangible fixed assets	885,569	842,278
Amortisation of intangible assets	449,837	267,805
Operating lease charges	2,375,291	1,958,181
	<u>3,681,455</u>	<u>3,066,545</u>

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 6 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	6,000	9,550
Audit of the financial statements of the company's subsidiaries	83,354	75,236
	<u>89,354</u>	<u>84,786</u>

### 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Staff employed	<u>244</u>	<u>229</u>	<u>-</u>	<u>-</u>

The above figures represent the total payroll attributable to the group for the year. Where work done can be identified as in respect of project development costs, these costs are capitalised as intangible assets or expensed as business development costs as appropriate.

Total payroll costs charged to the group profit and loss account for the year amounted to £8,373,738 (2019: £7,161,863) and payroll costs capitalised £1,274,045 (2019: £1,841,249).

### 8 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	6,788	3,382
Other interest income	14,887	14,846
Total interest revenue	<u>21,675</u>	<u>18,228</u>
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	13,500	-
Total income	<u>35,175</u>	<u>18,228</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>6,788</u>	<u>3,382</u>

## UCFB HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

**9 Interest payable and similar expenses**

	2020	2019
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	934,114	756,719
Interest on finance leases and hire purchase contracts	310,052	178,125
Other interest on financial liabilities	582,612	373,381
	<u>1,826,778</u>	<u>1,308,225</u>
<b>Other finance costs:</b>		
Other interest	6,276	(162)
<b>Total finance costs</b>	<u><u>1,833,054</u></u>	<u><u>1,308,063</u></u>

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 10 Taxation

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(84,985)	-
Adjustments in respect of prior periods	(87,064)	(102,126)
<b>Total UK current tax</b>	<b>(172,049)</b>	<b>(102,126)</b>
Foreign current tax on profits for the current period	1,289	-
<b>Total current tax</b>	<b>(170,760)</b>	<b>(102,126)</b>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(2,775,553)	(525,663)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(527,355)	(99,876)
Tax effect of expenses that are not deductible in determining taxable profit	3,915	3,714
Tax effect of utilisation of tax losses not previously recognised	(106,439)	(337,702)
Unutilised tax losses carried forward	411,608	371,447
Adjustments in respect of prior years	(87,064)	-
Permanent capital allowances in excess of depreciation	35,282	50,424
Amortisation on assets not qualifying for tax allowances	14,830	11,992
Research and development tax credit	(84,985)	(102,125)
Dividend income	(2,565)	-
Aborted business development costs not deductible	172,013	-
<b>Taxation credit for the year</b>	<b>(170,760)</b>	<b>(102,126)</b>

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 10 Taxation

(Continued)

On the basis of these financial statements no provision has been made in the group accounts for corporation tax.

The group has estimated losses of £19,075,132 (2019: £17,483,975) available for carry forward against future profits.

No deferred tax asset has been recognised until there is more certainty of reversal of the tax losses. If the full potential tax asset was provided for the amount would be £3,624,275 (2019: £3,321,955).

On the basis of these financial statements no provision has been made in the company accounts for corporation tax.

The company has estimated losses of £1,651,245 (2019: £864,688) available for carry forward against future profits.

No deferred tax asset has been recognised until there is more certainty of reversal of the tax losses. If the full potential tax asset was provided for the amount would be £313,737 (2019: £164,291).

### 11 Intangible fixed assets

Group	Goodwill	Software	Intangibles	Total
	£	£	£	£
<b>Cost</b>				
At 1 August 2019	631,166	62,470	4,360,144	5,053,780
Additions - internally developed	-	-	3,087,657	3,087,657
Additions - separately acquired	597,720	2,250	-	599,970
Disposals	-	-	(3,012,863)	(3,012,863)
At 31 July 2020	1,228,886	64,720	4,434,938	5,728,544
<b>Amortisation and impairment</b>				
At 1 August 2019	63,117	27,742	501,467	592,326
Amortisation charged for the year	78,060	15,592	356,185	449,837
At 31 July 2020	141,177	43,334	857,652	1,042,163
<b>Carrying amount</b>				
At 31 July 2020	1,087,709	21,386	3,577,286	4,686,381
At 31 July 2019	568,049	34,728	3,858,677	4,461,454

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 11 Intangible fixed assets

(Continued)

Company	Intangibles £
<b>Cost</b>	
At 1 August 2019	20,210
Additions - internally developed	1,253
At 31 July 2020	21,463
<b>Amortisation and impairment</b>	
At 1 August 2019	4,804
Amortisation charged for the year	7,050
At 31 July 2020	11,854
<b>Carrying amount</b>	
At 31 July 2020	9,609
At 31 July 2019	15,406

### 12 Tangible fixed assets

Group	Buildings Leasehold	Assets under construction	Coaching equipment	Fixtures, fittings & office equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 August 2019	460,641	-	12,715	3,370,304	3,843,660
Additions	-	911,591	62,272	2,188,253	3,162,116
At 31 July 2020	460,641	911,591	74,987	5,558,557	7,005,776
<b>Depreciation and impairment</b>					
At 1 August 2019	398,773	-	7,085	1,909,946	2,315,804
Depreciation charged in the year	38,160	-	19,720	827,689	885,569
At 31 July 2020	436,933	-	26,805	2,737,635	3,201,373
<b>Carrying amount</b>					
At 31 July 2020	23,708	911,591	48,182	2,820,922	3,804,403
At 31 July 2019	61,868	-	5,630	1,460,358	1,527,856

The company had no tangible fixed assets at 31 July 2020 or 31 July 2019.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 13 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	14			618,142	4,957

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 August 2019	4,957
Additions	613,185
At 31 July 2020	618,142
<b>Carrying amount</b>	
At 31 July 2020	618,142
At 31 July 2019	4,957



# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 14 Subsidiaries

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
UA Manchester Limited	England & Wales	Development of sport courses	Ordinary	-	100.00
UA Wembley Limited	England & Wales	Development of sport courses	Ordinary	-	100.00
UCFB Academy Limited	England & Wales	Development of sport courses	Ordinary	100.00	-
UCFB Burnley Limited	England & Wales	Provision of undergraduate and postgraduate courses	Ordinary	-	100.00
UCFB College of Football Business Limited	England & Wales	Provision of undergraduate and postgraduate courses	Ordinary	100.00	-
UCFB Cultural Communications Co.	China	Provision of sports and recreation education	Ordinary	100.00	-
UCFB Education Limited	England & Wales	Provision of sports and recreation education	Ordinary	100.00	-
UCFB Manchester Limited	England & Wales	Provision of undergraduate and postgraduate courses	Ordinary	-	100.00
UCFB Student Accommodation Limited	England & Wales	Provision of student accommodation	Ordinary	100.00	-
UCFB Wembley Limited	England & Wales	Provision of undergraduate and postgraduate courses	Ordinary 'A'	-	99.00
University Campus Of Football Business Limited	England & Wales	Provision of undergraduate and postgraduate courses	Ordinary	-	100.00
UCFB Manchester Academy Limited	England & Wales	Development of sport courses	Ordinary	-	100.00
UCFB Liverpool Limited	England & Wales	Provision of undergraduate and postgraduate courses	Ordinary	-	100.00
UCFB London Stadium Limited	England & Wales	Provision of student facilities	Ordinary	100.00	-
UCFB HE Limited	England & Wales	Provision of sports and recreation education	Ordinary	100.00	-
Firstpoint International Limited	England & Wales	International student placements	Ordinary A	80.00	-
Be Varsity Limited	England & Wales	International student placements	Ordinary	-	100.00
Track Bound USA Limited	England & Wales	International student placements	Ordinary	-	100.00
What College International Limited	England & Wales	International student placements	Ordinary	-	100.00
UCFB Online Limited	England & Wales	Provision of online courses	Ordinary	-	100.00
UCFB Global Institute Of Sport Limited	England and Wales	Provision of sports and recreation education	Ordinary	100.00	-
The Global Institute Of Sport Limited	England and Wales	Provision of sports and recreation education	Ordinary	100.00	-
VSI Executive Education Limited	England and Wales	Provision of sports and recreation education	Ordinary	75.00	-

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 14 Subsidiaries

(Continued)

The parent company UCFB Holdings Limited has given undertakings under 479C of the Companies Act 2006 to guarantee the following subsidiary companies in respect of the year/period ended 31 July 2020.

UCFB Education Limited

UCFB Student Accommodation Limited

VSI Executive Education Limited

UCFB Academy Limited

UA Manchester Limited

UA Wembley Limited

These companies are themselves exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts.

Some of the other subsidiary entities are dormant.

### 15 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	733,197	1,369,470	2,477	-
Corporation tax recoverable	172,049	102,126	-	-
Amounts owed by group undertakings	-	-	9,673,045	7,922,078
Other debtors	1,264,374	1,195,401	780,092	480,474
Prepayments and accrued income	619,247	212,297	-	-
	<u>2,788,867</u>	<u>2,879,294</u>	<u>10,455,614</u>	<u>8,402,552</u>

### 16 Creditors: amounts falling due within one year

		Group 2020	2019	Company 2020	2019
	Notes	£	£	£	£
Obligations under finance leases	18	302,539	281,824	-	-
Trade creditors		2,778,550	1,160,986	181,944	27,296
Corporation tax payable		34,029	-	-	-
Other taxation and social security		913,052	232,204	-	-
Deferred income	20	24,701	-	-	-
Other creditors		1,646,066	569,229	879,476	95,989
Accruals and deferred income		2,863,222	2,766,021	1,292,646	873,286
		<u>8,562,159</u>	<u>5,010,264</u>	<u>2,354,066</u>	<u>996,571</u>

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 17 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	19	11,265,019	8,720,375	3,500,000	-
Obligations under finance leases	18	546,363	658,431	-	-
Shareholder loans	19	4,796,947	4,796,947	4,796,947	4,796,947
Other creditors		105,405	76,144	-	-
		<u>16,713,734</u>	<u>14,251,897</u>	<u>8,296,947</u>	<u>4,796,947</u>

### 18 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	416,103	413,375	-	-
In two to five years	616,303	763,914	-	-
	<u>1,032,406</u>	<u>1,177,289</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(183,504)	(237,034)	-	-
	<u>848,902</u>	<u>940,255</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	11,265,019	8,720,375	3,500,000	-
Shareholder loans	4,796,947	4,796,947	4,796,947	4,796,947
	<u>16,061,966</u>	<u>13,517,322</u>	<u>8,296,947</u>	<u>4,796,947</u>
Payable after one year	<u>16,061,966</u>	<u>13,517,322</u>	<u>8,296,947</u>	<u>4,796,947</u>

The long-term bank loans are secured by a full debenture and cross company guarantees from members of the group plus the subordination of shareholders loans.

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

### 19 Loans and overdrafts

(Continued)

The bank loan facility is on a rolling agreement basis for a total maximum facility amount of £12million at an interest rate of circa 9% per annum. The current facility is agreed up to 31 May 2021 with a review taking place annually.

### 20 Deferred income

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other deferred income	24,701	-	-	-

### 21 Share capital

	Group and company	
	2020 £	2019 £
Ordinary share capital Issued and fully paid 80,793 Ordinary shares of 10p each	8,079	8,079

### 22 Financial commitments, guarantees and contingent liabilities

The company together with all other group members are party to a debenture and cross guarantee to the group's financiers, Close Leasing Ltd. In addition, all shareholder loans are subordinated in favour of the loans owed to Close.

### 23 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	1,816,510	2,099,692	-	-
Between two and five years	6,105,175	10,035,709	-	-
In over five years	3,380,267	7,588,519	-	-
	11,301,952	19,723,920	-	-

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 24 Related party transactions

During the year, two of the directors were paid consultancy fees plus expenses amounting to £205,218 (2019: £219,550) in connection with the development of the company's operations.

UCFB College of Football Business Ltd leases property from The Burnley Football & Athletic Company Limited "Burnley FC" in which some of the directors have an interest. The rent charged during the year under the agreement was £193,728 (2019: £188,400).

At the year end there was an amount outstanding to the EBT of Freight Investor Services Limited of £3,946,946 (2019: £3,946,946). EBT for Freight Investor Services Limited is beneficially owned by UTC Limited UTC Limited which is a shareholder of UCFB Holdings Limited. Mr J Banaszkiwicz is a beneficiary of the EBT.

At the year end there was an amount due to Cole Waterhouse Limited of £850,000 (2019: £850,000). Mr B Flood is a person with significant control over this entity.

### 25 Cash generated from group operations

	2020 £	2019 £
Loss for the year after tax	(2,604,793)	(423,537)
<b>Adjustments for:</b>		
Taxation credited	(170,760)	(102,126)
Finance costs	1,833,054	1,308,063
Investment income	(35,175)	(18,228)
Amortisation and impairment of intangible assets	449,837	267,805
Depreciation and impairment of tangible fixed assets	885,569	842,278
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	175,521	(65,811)
Increase in creditors	3,315,170	1,030,370
Increase in deferred income	24,701	-
<b>Cash generated from operations</b>	<b>3,873,124</b>	<b>2,838,814</b>

### 26 Analysis of changes in net debt - group

	1 August 2019 £	Cash flows £	31 July 2020 £
Cash at bank and in hand	3,011,410	997,892	4,009,302
Borrowings excluding overdrafts	(13,517,322)	(2,544,644)	(16,061,966)
Obligations under finance leases	(940,255)	91,353	(848,902)
	<b>(11,446,167)</b>	<b>(1,455,399)</b>	<b>(12,901,566)</b>

# UCFB HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

### 27 Cash absorbed by operations - company

	2020 £	2019 £
Loss for the year after tax	(778,451)	(441,154)
<b>Adjustments for:</b>		
Finance costs	579,889	370,301
Investment income	(178,426)	(111,656)
Amortisation and impairment of intangible assets	7,050	3,675
<b>Movements in working capital:</b>		
Increase in debtors	(1,894,891)	(716,404)
Increase in creditors	1,170,954	178,836
<b>Cash absorbed by operations</b>	<b>(1,093,875)</b>	<b>(716,402)</b>

### 28 Analysis of changes in net debt - company

	1 August 2019 £	Cash flows £	31 July 2020 £
Cash at bank and in hand	2,359,122	1,418,594	3,777,716
Borrowings excluding overdrafts	(4,796,947)	(3,500,000)	(8,296,947)
	<b>(2,437,825)</b>	<b>(2,081,406)</b>	<b>(4,519,231)</b>