



QAA Enterprises Limited

Directors' Report and Financial Statements for the Year Ended 31 July 2021

Registered in England and Wales No. 07588108

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The directors present their report and financial statements for the year ended 31 July 2021.

Parent undertaking

The company is a wholly owned trading subsidiary of The Quality Assurance Agency for Higher Education (QAA), a charity and a company limited by guarantee. QAA is the ultimate parent undertaking and has held one £1 ordinary share since incorporation of the company. No further shares have been issued.

Principal activities

The company's objects, as outlined in its Articles of Association, are as follows:

- to provide a range of services, including consultancy, training, research, sponsorship, review and accreditation, for the sole purpose of generating income to support the objects of QAA
- to promote and maintain the quality and standards of higher education in the UK and overseas.

It is intended that any surpluses from these activities will be gift-aided to QAA.

Results for the period

The company has recorded a profit of £2,279 (2020: loss of £21,651). After taking into account the gift aid payment of £nil (2020: £20,044) made to the parent company during the year, the directors consider this to be a reasonable result.

Post balance sheet review

QAA continues to seek suitable business opportunities for the group and, where it is appropriate, the activity will be undertaken through QAA Enterprises Limited.

The company will rely on the support of QAA in the short-term until activity volume increases.

Directors

The directors who have served the company since 1 August 2020 were as follows:

- Simon Gaskell
- Douglas Blackstock (resigned 31 October 2021)
- Oliver Johnson (resigned 1 August 2021)
- Linda Duncan
- Vicki Stott (appointed 1 November 2021)

Company Secretary

- Lisa Evans (resigned 2 August 2021)
- Tom Yates (appointed 2 August 2021, resigned 2 December 2021)
- Rachel Hill-Kelly (appointed 2 December 2021)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Information to auditor

In the case of each of the persons who are directors of the company at the date when this report was approved:

- in so far as each of the directors of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware;
- each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company rules

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Auditor

A resolution to reappoint Crowe U.K. LLP as auditor to the company will be proposed at the QAA Annual General Meeting.

This report was approved by the board on 7 December 2021.

Registered and principal office:

Southgate House
Southgate Street
Gloucester
GL1 1UB

Signed by order of the Board



Rachel Hill- Kelly
Company Secretary

We have audited the financial statements of QAA Enterprises Limited for the year ended 31 July 2021 which comprise Profit and Loss Account, the Balance Sheet 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 Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the *Companies Act 2006*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

QAA Enterprises Limited
Independent Auditor's report
For the year ended 31 July 2021

misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept;
- 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 from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the *Companies Act 2006* and Financial Reporting Standard 102 (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and Safety legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and income recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. In addition to this we have also completed cut-off testing around year end to ensure income has been recognised in the correct accounting period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

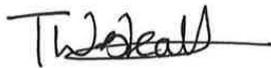
These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

QAA Enterprises Limited
Independent Auditor's report
For the year ended 31 July 2021

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

Use of our report

This report is made solely to the company's Directors, 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 Directors 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 Directors as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

17 December 2021

QAA Enterprises Limited
Profit and loss account
For the year ended 31 July 2021

	Notes	2021 £	2020 £
Turnover	1, 2	6,000	-
Cost of sales		-	
Gross profit		6,000	-
Administrative expenses		(3,721)	(1,607)
Operating profit / (loss) on ordinary activities before taxation	3	2,279	(1,607)
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation	8	2,279	(1,607)
Charitable Donation to Parent		-	(20,044)
Retained profit / (loss) for the period		2,279	(21,651)
Retained (loss) / profit brought forward		(1,607)	20,044
Retained profit / (loss) carried forward	8	672	(1,607)

The notes on pages 12 to 14 form part of these financial statements.

QAA Enterprises Limited
Balance sheet
For the year ended 31 July 2021

Company No. 07588108

	Notes	2021 £	2020 £
Current assets			
Cash at bank and in hand		56,047	58,278
Debtors	5	6,000	-
Creditors: amounts falling due within one year	6	(61,374)	(59,884)
Net assets / (liabilities)		673	(1,606)
Share capital			
Allotted, called up and fully paid Ordinary £1 shares	7	1	1
Reserves			
Profit and loss account	8	672	(1,607)
Shareholder funds	8	673	(1,606)

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board on 7 December 2021 and signed on its behalf by:



Simon Gaskell
Director

The notes on pages 12 to 14 form part of these financial statements.

1 Accounting policies

a Application of accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material to the company's financial statements.

b Accounting conventions

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the *Companies Act 2006*.

c Going concern

The company made an operating profit of £2,279 (2020 - operating loss of £1,607) and at year end the company had net assets of £673 (2020 - net liabilities of £1,606) which included an intercompany liability of £60,773 (2020 - liability of £57,364). The company has cash to pay third-party debts as they fall due and the immediate parent Charity, The Quality Assurance Agency for Higher Education, will not call in the intercompany balances whilst it is loss making. On this basis the Directors have prepared the financial statements on the going concern basis.

d Turnover

Turnover comprises the invoiced value of services supplied by the company, net of Value Added Tax and trade discounts. The company is not registered for VAT.

2 Turnover

The turnover relates wholly to services provided within the UK.

3 Operating profit or loss

	2021	2020
	£	£
The operating profit (2020: operating loss) is stated after charging:		
Directors' emoluments and other benefits	-	-
Auditor's remuneration:		
Audit services	150	900
Taxation services	300	-
Interest payable to parent undertaking	1,491	-
	<u> </u>	<u> </u>

4 Taxation

No liability to UK corporation tax will arise on ordinary activities for the year ended 31 July 2021 (2020: £nil).

QAA Enterprises Limited
Notes to the financial statements
For the year ended 31 July 2021

5 Debtors

	2021	2020
Trade debtors	6,000	-

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	1,620
Parent undertaking	60,774	57,364
Accruals	600	900
	61,374	59,884

7 Share capital

	2021	2020
	£	£
£1 Ordinary Shares		
Allotted, called up and fully paid	1	1

8 Reconciliation of movement in shareholder's funds

	Share capital	Profit and loss account	Total shareholder funds
	£	£	£
Balance at 1 August 2020	1	(1,607)	(1,606)
Profit for the year	-	2,279	2,279
Balance at 31 July 2021	1	672	673

9 Parent organisation and controlling party

The controlling party of the company is The Quality Assurance Agency for Higher Education (QAA) by virtue of its 100% shareholding of the company. QAA is also the smallest and the largest group for which consolidated financial statements are prepared. Financial statements of this organisation can be obtained from The Quality Assurance Agency for Higher Education, Southgate House, Southgate Street, Gloucester, GL1 1UB. QAA is a company limited by guarantee, registered in England and Wales (company no. 03344784). QAA is also a charity, registered in England and Wales (no. 1062746), and Scotland (SC037786).

10 Related party transactions

As a wholly owned subsidiary, QAA Enterprises Limited has taken advantage of the exemption in FRS102 The Financial Reporting Standard and has not disclosed transactions with QAA.

11 Post-balance sheet events

There were no post-balance sheet events requiring disclosure.

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