

QAA Enterprises Limited

**Directors' report and financial statements
for the year ended 31 July 2020**

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 2020.

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 loss of £21,651 (2019: loss of £6,270). After taking into account the gift aid payment of £20,044 (2019: £26,314) 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 2019 were as follows:

Simon Gaskell
Douglas Blackstock
Oliver Johnson
Linda Duncan
Lavinia Blackett (resigned 8 December 2019)

Company Secretary

Lavinia Blackett (resigned 8 December 2019)
Lisa Evans (appointed 8 December 2019)

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 2020.

Registered and principal office:

Southgate House
Southgate Street
Gloucester
GL1 1UB

Signed by order of the Board



Lisa Evans
Company Secretary

QAA Enterprises Limited
Independent Auditor's Report
To The Directors' of QAA Enterprises Limited (continued)

We have audited the financial statements of QAA Enterprises Limited for the year ended 31 July 2020 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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

QAA Enterprises Limited
Independent Auditor's Report
To The Directors' of QAA Enterprises Limited (continued)

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 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 by the company, 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 from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

QAA Enterprises Limited
Independent Auditor's Report
To The Directors' of QAA Enterprises Limited (continued)

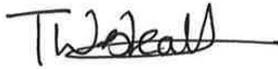
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: 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

Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Date: 15 January 2021

QAA Enterprises Limited
Profit and loss account
For the year ended 31 July 2020

	Notes	2020 £	2019 £
Turnover	1, 2	-	37,600
Cost of sales		-	(16,575)
		<hr/>	<hr/>
Gross profit		-	21,025
Administrative expenses		(1,607)	(981)
		<hr/>	<hr/>
Operating (loss)/profit on ordinary activities before taxation	3	(1,607)	20,044
Tax on profit on ordinary activities	4	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation	7		20,044
Charitable Donation to Parent		(20,044)	(26,314)
		<hr/>	<hr/>
Retained (loss) for the period		(21,651)	(6,270)
Retained profit brought forward		20,044	26,314
		<hr/>	<hr/>
Retained (loss)/ profit carried forward	7	(1,607)	20,044
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 10 form part of these financial statements.

QAA Enterprises Limited
Balance sheet (company number: 07588108)
As at 31 July 2020

	Notes	2020 £	2019 £
Current assets			
Cash at bank and in hand		58,278	79,929
Creditors: amounts falling due within one year	5	(59,884)	(59,884)
		<hr/>	<hr/>
Net (liabilities)/assets		(1,606)	20,045
		<hr/> <hr/>	<hr/> <hr/>
Share capital			
Allotted, called up and fully paid Ordinary £1 shares	6	1	1
Reserves			
Profit and loss account	7	(1,607)	20,044
		<hr/>	<hr/>
Shareholder funds	7	(1,606)	20,045
		<hr/> <hr/>	<hr/> <hr/>

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 2020 and signed on its behalf by:



Simon Gaskell
Director

The notes on pages 9 to 10 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 loss of £1,607 (2019 – operating profit of £20,044) and at year end the company had net liabilities of £1,606 (2019 – net assets of £20,045) which included an intercompany liability of £57,364 (2019 – 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 loss	2020	2019
	£	£
The operating loss is stated after charging:		
Director's emoluments and other benefits	-	-
Auditors' remuneration:		
Audit services	900	900
Taxation services	-	-
Interest payable to parent undertaking		731
	=====	=====

4 Taxation

No liability to UK corporation tax will arise on ordinary activities for the year ended 31 July 2020 (2019: £nil).

5 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,620	1,620
Parent undertaking	57,364	57,364
Accruals	900	900
	<u>59,884</u>	<u>59,884</u>

6 Share capital

	2019 £	2019 £
£1 Ordinary Shares		
Allotted, called up and fully paid	1	1
	<u>1</u>	<u>1</u>

7 Reconciliation of movement in shareholder's funds

	Share capital £	Profit and loss account £	Total shareholder funds £
Balance at 1 August 2019	1	20,044	20,045
Loss for the year	-	(21,651)	(21,651)
Balance at 31 July 2020	<u>1</u>	<u>(1,607)</u>	<u>(1,606)</u>

8 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).

9 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.

10 Post balance sheet events

There were no post balance sheet events requiring disclosure.