

Uclan Dental Clinic Limited

Directors' report and financial statements

For the year ended 31 July 2018

Registered number 07875622

THURSDAY



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06/12/2018
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Uclan Dental Clinic Limited

Directors' report and financial statements

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Uclan Dental Clinic Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2018.

Principal activities

The Company's principal activities are the provision of professional training that includes the supervision of postgraduate and undergraduate dental students.

The School of Postgraduate Medical and Dental Education within the University of Central Lancashire identified an opportunity to establish an 'on campus' clinical dental facility. This provides students with a first class environment in which to obtain practical dentistry experiences. The facility was set up on a commercial basis serving the Preston community including staff and students, but in line with the University's teaching strategy the emphasis has shifted towards the provision of high quality, real world education and training. At present the company is a subsidiary of the University Business Services Ltd, provide professional training and supervision for students seeking postgraduate qualifications, as well as enhancing the experience of the School's undergraduate students.

Business review

During the year, a strategic review of the company's activities has been undertaken and the directors have agreed that a change of focus is required. The Company was set up as a commercial venture but has operated at a loss since inception due to it being unable to secure the large commercial contracts it envisaged and thereby receiving only a limited supply of patients with whom students could gain supervised experience.

The directors have therefore decided to discontinue with the commercial venture and to close the Company.

However, although the Company is to close, a new social enterprise company will replace it delivering all its services and bringing substantial increases to income through student fees which will cover all costs of the clinic. This model enables the University to significantly increase the education it delivers, the students who qualify and at the same time to deliver a good level of public benefit to disadvantaged people in Preston through the provision of increased free dental services. The University is not funding this public benefit but is delivering it through its educational opportunities for students and staff.

Results

The Company's turnover was £626,165 (2017: £714,092). The Company's loss after allowing for operating costs, provisions, interest and tax was £18,677 (2017: Loss £28,928). Balances due to group undertakings have been written off.

Fixed assets

No assets were held nor were there any additional fixed assets purchased during the period.

Shareholdings

500,000 £1 ordinary shares have been allotted and issued.

Uclan Dental Clinic Limited

Directors' report *continued*

Going concern

As mentioned in the Business Review a decision to wind up the Company has been made by the Board of Uclan Dental Clinic Limited and ratified by Resources Committee of the University Board. The accounts have therefore been prepared on the basis that the Company is no longer a going concern.

Directors and directors' interests

The directors in office during the period were as follows:

M Edwards
D Hammond (resigned 24 May 2018)
L Livesey

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



I Fisher
Company Secretary
University of Central Lancashire
Preston
PR1 2HE

18 October 2018

Uclan Dental Clinic Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Uclan Dental Clinic Limited

Independent auditor's report to the members of Uclan Dental Clinic Limited

Opinion

We have audited the financial statements of Uclan Dental Clinic Limited ("the company") for the year ended 31 July 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

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

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

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Uclan Dental Clinic Limited

Independent auditor's report to the members of Uclan Dental Clinic Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

31 OCTOBER 2018

Uclan Dental Clinic Limited

Profit and loss account for the year ended 31 July 2018

Continuing Operations

| | Note | 2018 | 2017 |
|---|------|------------------|-----------|
| | | £ | £ |
| Turnover | | 626,165 | 714,092 |
| Cost of sales | | (429,574) | (462,240) |
| Gross profit | | 196,591 | 251,852 |
| Administrative expenses | 5 | (213,518) | (279,030) |
| Write off amounts due to group undertakings | | 511,935 | - |
| Operating profit / (loss) | | 495,008 | (27,178) |
| Interest payable and similar charges | | (1,750) | (1,750) |
| Profit / (loss) for the financial year | | 493,258 | (28,928) |

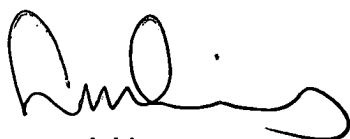
Uclan Dental Clinic Limited

Balance sheet

As at 31 July 2018

| | Note | As at 31 July 2018 | | As at 31 July 2017 | |
|---|------|-----------------------|---|-------------------------|---|
| | | £ | £ | £ | £ |
| Current assets | | | | | |
| Stock | | 27,382 | | 25,033 | |
| Debtors | 7 | 95,714 | | 135,319 | |
| Cash at bank and in hand | | 221,353 | | 151,286 | |
| | | <u>344,449</u> | | <u>311,638</u> | |
| Creditors: | | | | | |
| amounts falling due within one year | 8 | <u>(23,921)</u> | | <u>(484,368)</u> | |
| Net current assets / (liabilities) | | 320,528 | | (172,730) | |
| Net assets / (liabilities) | | <u>320,528</u> | | <u>(172,730)</u> | |
| Capital and reserves | | | | | |
| Share capital | 9 | 500,000 | | 500,000 | |
| Profit and loss account | | (179,472) | | (672,730) | |
| Shareholders funds | | <u>320,528</u> | | <u>(172,730)</u> | |

These financial statements were approved by the board of directors on 18 October 2018 and were signed on its behalf by:



L Livesey
Director



M Edwards
Director

Uclan Dental Clinic Limited

Statement of Changes in Equity for the year ended 31 July 2018

| | Share Capital | P&L Account | Total |
|--|------------------|----------------|-----------|
| | £ | £ | £ |
| Balance at 1 August 2017 | 500,000 | (643,802) | (143,802) |
| Total comprehensive income for the year | | | |
| Loss for the year | - | (28,928) | (28,928) |
| Balance at 31 July 2017 | 500,000 | (672,730) | (172,730) |
| Balance at 1 August 2017 | 500,000 | (672,730) | (172,730) |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 493,258 | 493,258 |
| Balance at 31 July 2018 | 500,000 | (179,472) | 320,528 |

Uclan Dental Clinic Limited

Notes (forming part of the financial statements)

1 Accounting policies

Uclan Dental Clinic Limited is a company limited by shares and incorporated and domiciled in the UK.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, the University of Central Lancashire Higher Education Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of the University of Central Lancashire Higher Education Corporation are available to the public and may be obtained from the University Finance Director, University of Central Lancashire, Adelphi Building, Preston, PR1 2HE. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.
- Key management personnel compensation

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Tangible fixed assets

No fixed assets were held during the period.

Turnover

Turnover represents the invoiced amount of completed services provided.

Uclan Dental Clinic Limited

Notes (continued)

Cost of sales

The Company distinguishes cost of sales and administrative expenses. Costs specifically identified as relating to the provision of dental services are treated as cost of sales. Other costs incurred by the Company, which primarily relate to management, finance and legal administration, facilities and general support, are treated as administrative expenses.

Stock

Stock is valued at the lower of cost and net realisable value.

Going concern

A decision to wind up the Company has been made by the Board of UCLan Dental Clinic Limited and ratified by Resources Committee of the University Board. The accounts have therefore been prepared on the basis that the Company is no longer a going concern. During the year, a strategic review of the company's activities has been undertaken and the directors have agreed that a change of focus is required. The Company was set up as a commercial venture but has operated at a loss since inception due to it being unable to secure the large commercial contracts it envisaged and thereby receiving only a limited supply of patients with whom students could gain supervised experience. The directors have therefore decided to discontinue with the commercial venture and to close the Company. Further information is included the Directors Report.

2 Profit / (loss) for the financial year

| | 2018 | 2017 |
|---|---------|---------|
| | £ | £ |
| <i>Profit / (loss) for the financial year is stated after charging:</i> | | |
| Auditor's remuneration for audit services | 3,200 | 3,100 |
| Auditor's remuneration for non-audit services | 1,955 | 1,928 |
| Inter-company charges | 107,621 | 112,768 |
| <i>After crediting:</i> | | |
| Inter-company sub-contracted income | 210,349 | 205,417 |

3 Remuneration of directors

No directors received any remuneration of salary and fees during the year (2017: £Nil).

The directors are employed by the University of Central Lancashire.

4 Staff numbers

The Company employed an average of 10 full time equivalent staff during the year (2017: 10). There were no other benefits in kind. 11 staff have the pension scheme run by NEST.

Uclan Dental Clinic Limited

Notes (continued)

5 Other administrative expenses

The ultimate parent company (University of Central Lancashire) charged £107,621 in rent and service charges. The ultimate parent company have in the past provided £50,000 as a loan which has incurred interest in the year of £1,750.

6 Tax

| | 2018 £ | 2017 £ |
|--|----------------|-----------------|
| Profit / (loss) on ordinary activities before tax | <u>493,258</u> | <u>(28,928)</u> |
| Tax on profit / (loss) on ordinary activities at standard CT rate of 19.00% (2017: 19.67%) | 93,719 | (5,689) |
| <i>Effects of:</i> | | |
| Income not taxable for tax purposes | (97,268) | - |
| Group relief surrendered / (claimed) | 4,915 | 7,413 |
| Adjust opening/closing deferred tax to average rate | (143) | 4,082 |
| Movement on deferred tax asset not recognised | <u>(1,223)</u> | <u>(5,806)</u> |
| Total current tax charge for the period | <u>nil</u> | <u>nil</u> |

There is a deferred tax asset as at 31 July 2018 of £70,663 (2017 £71,886) which has not been recognised, because it is unlikely to crystallise.

7 Debtors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|-------------------------------------|---------------|----------------|
| Trade debtors | 58,622 | 86,651 |
| Amounts due from group undertakings | - | 33,204 |
| Prepayment and accrued income | 37,092 | 15,464 |
| | <u>95,714</u> | <u>135,319</u> |

Uclan Dental Clinic Limited

Notes (continued)

8 Creditors: amounts falling due within one year

| | 2018 | 2017 |
|------------------------------------|---------------|----------------|
| | £ | £ |
| Trade creditors | - | 19,367 |
| Amounts owed to group undertakings | - | 412,070 |
| Other creditors including taxation | 7,076 | 15,975 |
| Accruals and deferred income | 16,845 | 36,956 |
| | <u>23,921</u> | <u>484,368</u> |

Amounts owed to group undertakings is made up of rent and service charges accrued in prior years. This related to a commercial transaction repayable on demand to the ultimate parent company.

9 Called up share capital

| | 2018 | 2017 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| <i>Allotted, called up</i> | | |
| Issued ordinary shares of £1 each | 500,000 | 500,000 |
| | <u>500,000</u> | <u>500,000</u> |

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a wholly owned subsidiary undertaking of Uclan Business Services Limited incorporated in England and Wales. The ultimate parent company is the University of Central Lancashire Higher Education Corporation incorporated in England and Wales. In accordance with section 33.1a of FRS102, Related Party Disclosures, the Company is exempt from disclosing details of arrangements with other companies in the University of Central Lancashire group.

The largest and smallest group in which the results of the Company are consolidated is that headed by the University of Central Lancashire Higher Education Corporation. The consolidated financial statements of the University may be obtained from:

S Woolford
University Finance Director (Acting)
University of Central Lancashire
Adelphi Building
Preston
PR1 2HE