

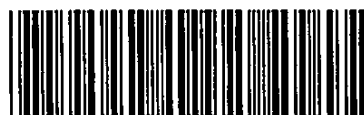
Warwick University Training Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2013

Registered number 2446501

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Warwick University Training Limited

(Registered Number 2446501)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2013

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2013

The directors present their report and the audited financial statements for the year ended 31 July 2013

Principal Activities, Business Review & Future Developments

The Company is a wholly owned subsidiary of the University of Warwick

The principal activities of the Company are the operation of post-experience management training centres. On 1st August 2012 the trade of the University of Warwick's bookshop and supermarket retail outlets was transferred into Warwick University Training Limited from the fellow subsidiary of the University of Warwick, Warwick University Enterprises Limited. No assets were acquired as part of the transfer.

Turnover has increased 49.3% from last year, of which 1.3% derived from the management centre training activities, with the balance coming from the addition of the bookshop and retail outlets. Gross Profit increased by 13% from last year, of which 1.4% came from the training centres with the balance coming from the new activities.

Overall for the year ended 31 July 2013, the Company has generated a net profit of £818,993 before taxation (2012 - £690,403) which, after Deed of Covenant payments, resulted in a retained profit of £28,223 (2012 – loss of £53,729).

Principal Risks & Uncertainties

The Company operates in a highly competitive market place where continuing growth is dependent on maintaining existing customer relationships and by winning new clients. The directors are confident that the Company can achieve these objectives and minimise the risk of falling short of its targets by providing exceptional service quality to its customers at competitive prices.

Going Concern

The activities of the company, together with the factors likely to affect its future development and performance are set out in the Directors' Report. The financial position of the Company, its cashflow and liquidity are described in the Financial Statements and accompanying Notes.

The company has sufficient financial resources and the directors believe that the company is well placed to manage its business activities successfully.

Accordingly the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Directors and their interests

The directors of the Company during the year and up to the date of signing these accounts were as follows:

N Thrift	
K M Sloan	
R A Drinkwater	
K Lamberts	(resigned 18 September 2013)
S Croft	(appointed 8 October 2013)
M P E Fisher	(appointed 1 October 2013)
M V F Zingraff	(appointed 1 October 2013)

None of the directors held any beneficial interest in the Company's share capital at 31 July 2013 or at any time during the period then ended.

Deed of covenant

By deed of covenant dated 5 March 2008, the Company covenanted to pay the University of Warwick a sum equal to the taxable profit for corporation tax purposes, with effect from and including the year ended 31 July 2008.

Dividend

The directors do not recommend the payment of a dividend (prior year £nil)

Share Capital

The University of Warwick continues to own 100% of the share capital of the Company

Fixed assets

There are no fixed assets held in the company at 31 July 2013 (31 July 2012 £nil)

Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements

Disclosure of information to the auditor

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 auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information

Auditor's reappointment paragraph

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

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 UK Accounting Standards and applicable law (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 judgments and 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, and
- 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 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

By order of the Board

A handwritten signature in black ink, appearing to be 'K Sloan', with a long horizontal stroke extending to the right.

K SLOAN
Secretary

University House
University of Warwick
Coventry
CV4 8UW

Date 23 October 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARWICK UNIVERSITY TRAINING LIMITED

We have audited the financial statements of Warwick University Training Limited for the year ended 31st July 2013 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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.

Respective responsibilities of directors and the auditor

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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st July 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, 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.


Michael Rowley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

28 November 2013

Warwick University Training Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2013

	<i>Notes</i>	2013 £	2012 £
Turnover	2	19,980,677	13,382,142
Cost of sales		(12,161,975)	(6,465,345)
Gross profit		7,818,702	6,916,797
Distribution costs		(1,384,966)	(1,237,674)
Administrative expenses		(5,653,592)	(5,004,815)
Operating profit	3	780,144	674,308
Interest receivable		38,849	16,095
Profit on ordinary activities before taxation		818,993	690,403
Taxation	5	-	-
Profit on ordinary activities after taxation		818,993	690,403
Deed of Covenant payable	6	(790,770)	(744,132)
Profit/(Loss) for the financial year	12	28,223	(53,729)

The results for the year include all recognised gains and losses

There is no material difference between the results as disclosed and results on an unmodified historical cost basis.

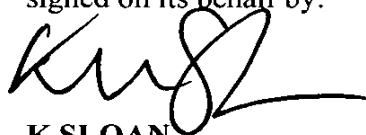
Notes to the financial statements are shown on pages 9 to 13

Warwick University Training Limited

BALANCE SHEET at 31 July 2013

	<i>Notes</i>	2013 £	2012 £
Tangible fixed assets	7	-	-
Current assets			
Stock		423,819	68,392
Debtors	8	1,895,305	1,970,370
Cash at bank and in hand		69,861	42,146
		<u>2,388,985</u>	<u>2,080,908</u>
Creditors: Amounts falling due within one year	9	<u>(1,780,041)</u>	<u>(1,500,187)</u>
Net current assets		<u>608,944</u>	<u>580,721</u>
Total assets less current liabilities		<u><u>608,944</u></u>	<u><u>580,721</u></u>
Capital & reserves			
Called up share capital	11	100,004	100,004
Profit and loss account	12	508,940	480,717
Shareholder's funds	13	<u><u>608,944</u></u>	<u><u>580,721</u></u>

These financial statements were approved by the Board of Directors on 23 October 2013 and were signed on its behalf by:



K SLOAN
Director

Notes to the financial statements are shown on pages 9 to 13

Warwick University Training Limited – Registered Number 2446501

Warwick University Training Limited

CASH FLOW STATEMENT for the year ended 31 July 2013

	<i>Notes</i>	2013 £	2012 £
Net cash in/(out)flow from operating activities	<i>(i)</i>	680,438	(863,938)
Returns on investments and servicing of finance	<i>(ii)</i>	(652,723)	(200,378)
Capital expenditure	<i>(iii)</i>	-	1,054,650
		<hr/>	<hr/>
Increase/(Decrease) in cash in the year	<i>(iv)</i>	27,715	(9,666)
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net funds *(note iv)*

	2013 £	2012 £
Increase/(Decrease) in cash in the year	27,715	(9,666)
Net funds at 1 August	42,146	51,812
	<hr/>	<hr/>
Net funds at 31 July	69,861	42,146
	<hr/>	<hr/>

Notes on page 8 form part of the cash flow statements

Warwick University Training Limited

NOTES TO THE CASH FLOW STATEMENT - 31 JULY 2013

i. Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£	£
Operating profit	780,144	674,308
(Increase) in stocks	(355,427)	(4,551)
Decrease in debtors	75,065	307,866
Increase/(Decrease) in creditors	180,656	(1,841,561)
Net Cash Inflow/(Outflow) from Operating Activities	<u>680,438</u>	<u>(863,938)</u>

ii. Returns on Investments and Servicing of Finance

	2013	2012
	£	£
Interest received	38,849	16,095
Deed of covenant payments	(691,572)	(216,473)
	<u>(652,723)</u>	<u>(200,378)</u>

iii. Capital expenditure

	2013	2012
	£	£
Payment to acquire tangible fixed assets	-	-
Receipts from sale of tangible fixed assets	-	1,054,650
	<u>-</u>	<u>1,054,650</u>

iv. Analysis of changes in net funds

	At 1 August 2012	Cash Flows	At 31 July 2013
	£	£	£
Cash at bank and in hand	42,146	27,715	69,861

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2013

1. ACCOUNTING POLICIES

Accounting Convention

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

Recognition of Income

Income from services rendered is included to the extent of completion of the contract or services concerned and is measured at the fair value of the consideration receivable

Fixed Assets

Capitalised plant, equipment, fixtures and fittings both leased and owned, are stated at cost and depreciated in equal annual instalments over the following number of years

Plant and equipment under finance leases	10 years
Fixtures and fittings under finance leases	5 years
Owned fixtures and fittings	Between 5 and 10 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable

Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure on an accruals basis.

Pensions

Pension costs are recognised in the financial statements as recharged by the University of Warwick

Stock

Stocks include food and bar stocks and are valued at the lower of cost and net realisable value. Stocks of other consumable materials are written off to revenue as incurred.

Deferred Tax

No provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University of Warwick and therefore no deferred tax asset or liability will be realised in the company.

2. TURNOVER

Turnover arises from continuing activities in the United Kingdom, and is attributable to a single class of business – the operations of post experience management training centres

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2013 (Continued)

3. OPERATING PROFIT

This has been arrived at after charging

	2013	2012
	£	£
Auditor's remuneration - audit fees	11,782	11,260
Depreciation – owned assets	-	-
Operating lease payments - land and buildings	2,282,250	2,239,078

4. STAFF COSTS

The Company does not employ any staff directly. All staff providing their services to the company are employed by the University of Warwick. The total of their remuneration and related costs recharged to the Company during the year amounted to

	2013	2012
	£	£
Wages and salaries	4,661,242	3,923,535
Social security costs	267,363	251,742
Other pension costs	439,390	370,751
Total employees' remuneration	<u>5,367,995</u>	<u>4,546,028</u>

The average number of such persons (excluding directors) recharged to the Company during the year was 206 (2012 – 164)

No directors have received any fee or remuneration for their services during the year (2012 - £nil)

Directors' and officers' liability insurance amounting to £440 (2012 - £954) has been paid by the University of Warwick on behalf of the directors. Under Company law, the remuneration of all of the directors falls to be disclosed within the band £nil - £5,000

5. TAXATION

The taxation charge for the period is £nil (2012 - £nil)

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2013 (continued)

6. DEED OF COVENANT PAYABLE

The Deed of Covenant payable is analysed as follows

	2013 £	2012 £
Payable in respect of 2010/11	-	18,384
Payable in respect of 2011/12	(34,176)	725,748
Payable in respect of 2012/13	824,946	-
	<u>790,770</u>	<u>744,132</u>

7. TANGIBLE FIXED ASSETS

The Company had no Fixed Assets at the balance sheet date (2012. £nil)

8. DEBTORS

	2013 £	2012 £
Trade debtors	1,026,805	703,964
Other debtors and prepayments	54,197	34,456
Amount due from the University of Warwick	767,848	1,231,950
Amount due from fellow subsidiaries	46,455	-
	<u>1,895,305</u>	<u>1,970,370</u>

9. CREDITORS (amounts falling due within one year)

	2013 £	2012 £
Trade creditors	135,892	154,394
VAT payable	415,125	342,938
Accruals and deferred income	400,799	306,672
Amount due to the University of Warwick	804,219	696,183
Amount due to fellow subsidiaries	24,006	-
	<u>1,780,041</u>	<u>1,500,187</u>

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2013 (continued)

10. DEFERRED TAXATION

As explained in the accounting policies note, no provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to the University of Warwick and therefore no deferred tax asset or liability will be realised in the company

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 23.7%
The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>818,993</u>	<u>690,403</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.7% (2012: 25.3%)	194,101	174,672
Expenses not deductible for tax purposes	6,933	8,293
Depreciation less than in excess of capital allowances	(5,525)	649
Deed of covenant	<u>(195,509)</u>	<u>(183,614)</u>
Current tax charge for the year (note 5)	-	-

11. SHARE CAPITAL

	2013 £	2012 £
Number of £1 ordinary shares allotted	100,004	100,004
Issued and fully paid At 1 August 2012	<u>100,004</u>	<u>100,004</u>
At 31 July 2013	<u>100,004</u>	<u>100,004</u>

12. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
At 1 August	480,717	534,446
Profit/ (Loss) for the year	28,223	(53,729)
At 31 July 2013	<u>508,940</u>	<u>480,717</u>

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2013 (continued)

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Retained Profit/(loss) for the financial year	28,223	(53,729)
Net addition/(reduction) in shareholder's funds	28,223	(53,729)
Opening shareholder's funds	580,721	634,450
Closing shareholder's funds	608,944	580,721

14. PENSIONS

The pension costs charged to the profit and loss account during the year under review were £439,390 (2012 – £370,751) and represent amounts recharged by the University of Warwick

Details of the latest actuarial valuations and disclosures required by FRS17 are included in the report and accounts of The University of Warwick

15. FINANCIAL COMMITMENTS

At 31 July 2013, the Company had annual commitments under non-cancellable operating leases as set out below

	2013 Land and Buildings £	Other £	2012 Land and Buildings £	Other £
Operating lease which expire				
- In less than one year	-	-	-	-
- Between one and five years				
- Over five years	1,976,000	-	2,225,000	-

16. ULTIMATE PARENT ENTITY

The ultimate parent entity and controlling party is the University of Warwick, which is the parent undertaking which consolidates the group accounts. The consolidated parent accounts can be obtained from the principal place of business at University of Warwick, Coventry, CV4 8UW

17. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary of the University of Warwick, and is included in the consolidated accounts of the University which are publicly available. As such, the Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the University of Warwick group