

Warwick University Training Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2014

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 2014

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2014

Business Strategy and Objectives

Warwick University Training Limited operates three training and conference centres, a bookshop and a supermarket on the campus of The University of Warwick. The company aims to deliver exceptional service to its customers, including the University community, and to maximise the profits which are covenanted to the University to reinvest in pursuance of its objectives.

The business has a number of KPIs against which it measures its performance on a regular periodic basis, at the business unit and company level.

Principle Risks and Uncertainties

The training and conference business is exposed to cycles in the wider economic environment, which can affect levels of demand in the market. Through careful planning and monitoring of the business the company manages this risk by ensuring it can react appropriately when such factors present themselves.

The supermarket business is subject to competitor pressure in the retail market. This is mitigated to some extent by being the only such outlet on the campus. However, the business also ensures it remains as competitive as possible against other local retail offerings.

The bookshop operates in a mature market, and continues to diversify its offering in order to maintain performance.

Performance

Turnover has increased 3.2% from last year, of which 2.6% derived from the management centre training activities, with the balance coming from an increase of 4.4% in turnover of the bookshop and retail outlets. Gross Profit increased by 2.4% from last year, which reflects the impact of increases in staff and retail product costs.

Overall for the year ended 31 July 2014, the Company has generated a net profit of £822,496 before taxation (2013 - £818,993) which, after Deed of Covenant payments, resulted in a retained profit of £5,558 (2013 – profit of £28,223). This increased net assets from £608,944 to £614,502.

This performance was in the context of pressure on the rates at which the training and conference centres were sold, reflecting trends in the market. However volumes sold were greater than in the previous year, benefiting from the continued investment in the properties.

In the year to 31 July 2015, the businesses are expected to continue to grow, and rates to improve as the economy strengthens and customers continue to increase their budgets for conferencing and training events.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014

The directors present their report and the audited financial statements for the year ended 31 July 2014.

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, and the trade of the University of Warwick's bookshop and supermarket retail outlets.

The company is operating within a five year plan and associated budget which is planned to deliver sustainable growth in income and profit for that five year period to 31st July 2018.

This plan includes significant investment in order to maintain the quality of the company's facilities and customer service levels.

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 2014 or at any time during the period then ended.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014 (continued)

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 2014 (31 July 2013 £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 Strategic Report, Directors' Report and the financial statements.

The directors are responsible for preparing the Strategic Report, 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.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2014 (continued)

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



K SLOAN
Secretary

University House
University of Warwick
Coventry
CV4 8UW

Date: 13 November 2014

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 2014 set out on pages 6 to 11. 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 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.

Respective responsibilities of directors and the auditor

As explained more fully in the Directors' Responsibilities 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. 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 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 Financial Reporting Council'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 2014 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 Strategic Report and 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 2014

Warwick University Training Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2014

	<i>Notes</i>	2014 £	2013 £
Turnover	<i>2</i>	20,613,309	19,980,677
Cost of sales		(12,605,293)	(12,161,975)
Gross profit		8,008,016	7,818,702
Distribution costs		(1,355,974)	(1,384,966)
Administrative expenses		(5,850,835)	(5,653,592)
Operating profit	<i>3</i>	801,207	780,144
Interest receivable		21,289	38,849
Profit on ordinary activities before taxation		822,496	818,993
Taxation	<i>5</i>	-	-
Profit on ordinary activities after taxation		822,496	818,993
Deed of Covenant payable	<i>6</i>	(816,938)	(790,770)
Profit for the financial year	<i>12</i>	5,558	28,223

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 8 to 11.

Warwick University Training Limited

BALANCE SHEET at 31 July 2014

	<i>Notes</i>	2014 £	2013 £
Tangible fixed assets	<i>7</i>	-	-
Current assets			
Stock		408,887	423,819
Debtors	<i>8</i>	2,145,987	1,895,305
Cash at bank and in hand		67,541	69,861
		<hr/>	<hr/>
		2,622,415	2,388,985
Creditors: Amounts falling due within one year	<i>9</i>	(2,007,913)	(1,780,041)
		<hr/>	<hr/>
Net current assets		614,502	608,944
		<hr/>	<hr/>
Total assets less current liabilities		614,502	608,944
		<hr/>	<hr/>
Capital & reserves			
Called up share capital	<i>11</i>	100,004	100,004
Profit and loss account	<i>12</i>	514,498	508,940
		<hr/>	<hr/>
Shareholders' funds	<i>13</i>	614,502	608,944
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 13 November 2014 and were signed on its behalf by:


K SLOAN
Director

Notes to the financial statements are shown on pages 7 to 10.

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2014

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.

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, being the operations of post experience management training centres, a bookshop and a supermarket.

3. OPERATING PROFIT

This has been arrived at after charging:

	2014	2013
	£	£
Auditor's remuneration - audit fees	11,622	11,782
Depreciation – owned assets	-	-
Operating lease payments - land and buildings	2,226,000	2,282,250

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2014 (Continued)

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:

	2014	2013
	£	£
Wages and salaries	5,314,331	4,661,242
Social security costs	278,954	267,363
Other pension costs	492,286	439,390
Total employees' remuneration	<u>6,085,571</u>	<u>5,367,995</u>

The average number of such persons (excluding directors) recharged to the Company during the year was 194 (2013 – 206).

No directors have received any fee or remuneration for their services during the year (2013 - £nil).

Directors' and officers' liability insurance amounting to £871 (2013 - £440) 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 (2013 - £nil)

6. DEED OF COVENANT PAYABLE

The Deed of Covenant payable is analysed as follows:

	2014	2013
	£	£
Payable in respect of 2011/12	-	(34,176)
Payable in respect of 2012/13	(2,814)	824,946
Payable in respect of 2013/14	819,752	-
	<u>816,938</u>	<u>790,770</u>

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2014 (continued)

7. TANGIBLE FIXED ASSETS

The Company had no Fixed Assets at the balance sheet date (2013: £nil)

8. DEBTORS	2014 £	2013 £
Trade debtors	981,660	1,026,805
Other debtors and prepayments	52,980	54,197
Amount due from the University of Warwick	1,107,055	767,848
Amount due from fellow subsidiaries	4,292	46,455
	<u>2,145,987</u>	<u>1,895,305</u>

9. CREDITORS (amounts falling due within one year)

	2014 £	2013 £
Trade creditors	189,915	135,892
VAT payable	431,111	415,125
Accruals and deferred income	376,967	400,799
Amount due to the University of Warwick	955,098	804,219
Amount due to fellow subsidiaries	54,822	24,006
	<u>2,007,913</u>	<u>1,780,041</u>

12. PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
At 1 August	508,940	480,717
Profit for the year	5,558	28,223
	<u>514,498</u>	<u>508,940</u>
At 31 July 2014		

Warwick University Training Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2014 (continued)

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Retained Profit for the financial year	5,558	28,223
Net addition in shareholders' funds	5,558	28,223
Opening shareholders' funds	608,944	580,721
Closing shareholders' funds	614,502	608,944

14. PENSIONS

The pension costs charged to the profit and loss account during the year under review were £492,286 (2013 – £439,390) 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 2014, the Company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating lease which expire:				
- In less than one year	-	-	-	-
- Between one and five years	-	-	-	-
- Over five years	2,351,000	-	1,976,000	-

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.