

Registered number 02763292

Exemplas Holdings Limited

Group Financial Statements for the 16 month Period ended 31 July 2012

SATURDAY



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COMPANIES HOUSE

Directors and Officers

Directors

JN Reyner (Chairman) CBE, DL

JG Collier

G Hodge

TR Hutchings

Q McKellar CBE

AM Puddefoot

B Wisdom

J Wood

Secretary

AM Puddefoot

Registered Office

Broadwater Road

Welwyn Garden City

Hertfordshire

AL7 3 AX

Auditors

Grant Thornton UK LLP

Grant Thornton House

202 Silbury Boulevard

Central Milton Keynes

MK9 1LW

Bankers

National Westminster Bank plc

10 St Peter's Street

St Albans

Herts

AL1 3LY

Directors' report

Financial statements

The directors present their annual report and financial statements for the 16 month period ended 31 July 2012

Principal Activities

The group's (Exemplas Holdings Ltd and its subsidiary undertakings and joint ventures) principal activity is the provision of a wide range of business advice and support services including information, training, consultancy and events management. There have not been any significant changes in the company's principal activities in the year under review.

Business review and future developments

As shown in the group's profit and loss account on page 6, income has decreased, from continuing activity, by £1,595k due to the termination of the Business Link contracts. The operating loss for the financial year of £296k is behind the targeted loss of £150k.

Government contracts remain the group's key source of income.

The EEIDB Ltd and Y&H IDB Ltd Business Link contracts ended on 25 November 2011, at which point the Joint Venture companies went through a formal process of liquidation. The joint venture company East of England Trade Ltd company was set up with the sole purpose of continuing the East of England UK Trade & Investment contract held in the EEIDB Ltd and had therefore ceased trading after 31st March 2012.

Key performance indicators

	Target	2012	2011
Income before adjustment for Joint Ventures	£32m	£29.8m	£46.8m
Operating Profit/(Loss)	£(150)k	£(296k)	£643k

Principal risks and uncertainties facing the company

Financial instruments

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The company does not have material exposures in any of the areas identified above and, consequently does not use derivative instruments to manage these exposures.

The company's principal financial instruments comprise sterling cash and bank deposits obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the company's financial instruments can be analysed as follows:

Price risk

The company has no significant exposure to securities price risk, as it holds no listed equity investments.

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. As the level of these operations is small the overall risk is not significant. The main foreign currency in which the company operates is the Euro.

Credit risk

The company's principal financial assets are cash, and trade debtors, which represent the company's maximum exposure to credit risk in relation to financial assets.

Directors' report

The company's credit risk is primarily attributable to its trade debtors. Credit risk is not considered to be significant as the majority of its large contracts are from local, central or European government, who are unlikely to default.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

The company holds a significant proportion of its assets in the form of cash held on flexible short term deposits and considers that the risk attached to these is therefore low.

Dividends

The directors do not propose the payment of a dividend for the period ended 31 July 2012.

Donations

The company made no charitable donations during the year.

Directors

The directors of the company during the year were as follows:

JN Reynier (Chairman) CBE, DL
JG Collier
GJ Hodge
TR Hutchings
Q McKellar CBE (appointed 23 May 2011)
AM Puddefoot
C Tapster (resigned 25 June 2012)
B Wisdom
JD Wood (appointed 28 June 2012)

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

The company's articles require annual reappointment of the auditors. Grant Thornton UK LLP have expressed their willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors was passed by members at a meeting held 18 October 2012.

Approval

The report of the directors was authorised and approved by the Board on 07/12/2012 and signed on its behalf by



JN Reyner CBE DL
Chairman
Broadwater Road
Welwyn Garden City
Hertfordshire
AL7 3 AX

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXEMPLAS HOLDINGS LIMITED

We have audited the financial statements of Exemplas Holdings Limited for the period ended 31 July 2012 which comprise the group profit and loss account, the group and parent company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

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 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 website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Grant Thornton UK LLP

Subarna Banerjee
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Central Milton Keynes

11/12/2012

Consolidated profit and loss account

For the 16 Month period ended 31 July 2012

	Notes	Amounts related to discontinued subsidiaries*	16 months to 31 July 2012	Year to 31 March 2011
		£	£	£
Income		606,757	29,574,635	46,856,707
Less Income attributable to Joint Venture (continuing)			(678,758)	(103,871)
Less Income attributable to Joint Venture (discontinuing)		-	(11,812,405)	(27,874,332)
Total Income		606,757	17,083,472	18,878,504
 Operating costs		(69,639)	(14,624,290)	(16,629,143)
Administrative expenses		(11,720)	(2,754,865)	(1,606,790)
Group operating profit/(loss)		525,398	(295,683)	642,571
Share of operating profit (loss) in Joint Ventures (continuing)		-	26,000	(2,561)
Share of operating profit/(loss) in Joint Ventures (discontinuing)		-	(10,535)	(552,986)
		525,398	(280,218)	87,024
Interest receivable - group		15,528	47,471	63,899
Interest receivable - Joint Ventures			10,781	6,136
Other finance income		-	38,000	-
Profit/(loss) on ordinary activities before taxation	1	540,926	(183,966)	157,059
Taxation	2	(94,645)	(100,264)	(163,257)
Profit on ordinary activities after taxation before minority interest	9	446,281	(284,230)	(6,198)
Minority interest		-	230,093	-
Profit/(loss) on ordinary activities after taxation and minority interest		446,281	(54,137)	(6,198)

Other than where shown, all profits arise from continuing activities and are recognised in the profit and loss account above

*The discontinued companies are Polyfield Services Ltd, London Brokerage Limited and Film Link Ltd

Consolidated profit and loss account

For the period ended 31 July 2012

Statement of Group Total Recognised Gains and Losses

For the 16 month period ended 31 July 2012

	2012	Year to 31 March 2011
	£	£
Retained profit for the year	(54,137)	(6,198)
Deferred tax	(920)	-
Actuarial gain/(loss) relating to the pension scheme	(4,000)	941,000
Total recognised gains for the year	<u>(59,057)</u>	<u>934,802</u>

The notes on pages 10 to 28 form an integral part of these accounts

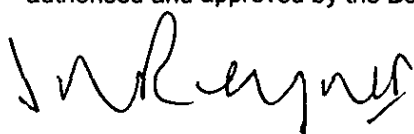
Group balance sheet

31 July 2012

Registered number 02763292

	Notes	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	3		3,166,393		2,910,528
Investments	5		607,663		1,539,617
Other Investment			-		23,000
Intangible assets	4		333,821		-
Investments in joint ventures					
Share of gross assets		567,481		6,712,973	
Share of gross liabilities		(548,261)		(5,698,788)	
			19,220		1,014,185
			4,127,097		5,487,330
Current assets					
Debtors	6		5,724,833		4,502,422
Cash at bank and in hand			2,647,237		5,008,475
			8,372,070		9,510,897
Creditors amounts falling due within one year	7		(7,236,808)		(9,330,267)
Net current assets			1,135,262		180,630
Total Assets less Current Liabilities			5,262,359		5,667,960
Pension Liability	13		(9,000)		(123,000)
Net assets			5,253,359		5,544,960
Capital and reserves					
Called-up share capital	8		100		100
Other Reserve	9		-		565
Profit and Loss Reserve	9		5,485,803		5,544,295
Total Shareholders' funds	10		5,485,903		5,544,860
Minority Interest			(232,544)		-
Capital Employed			5,253,359		5,544,960

The notes on pages 10 to 28 form an integral part of these accounts. The financial statements on pages 6 to 28 were authorised and approved by the Board on 07/12/2012 and signed on its behalf by



JN Reyner CBE DL
Chairman

Company Balance Sheet

31 July 2012

Registered number 02763292

	Notes	2012 £	2011 £
Fixed assets			
Investments	5	1,309,091	43,033
Intangible assets	4	100,000	-
		<u>1,409,091</u>	<u>43,033</u>
Current assets			
Debtors	6	482,035	3,283,469
Cash at bank and in hand		<u>927,596</u>	<u>2,529,084</u>
		1,409,631	5,812,553
Creditors: amounts falling due within one year	7	<u>(2,257,048)</u>	<u>(5,214,702)</u>
Net current assets		(847,417)	597,851
Total assets less current liabilities		561,674	640,884
Pension (Liability)	13	<u>(9,000)</u>	<u>(123,000)</u>
Net assets		<u>552,674</u>	<u>517,884</u>
Capital and reserves			
Called-up share capital	8	100	100
Reserves	9	<u>552,574</u>	<u>517,784</u>
Equity shareholders' funds	10	<u>552,674</u>	<u>517,884</u>

The notes on pages 10 to 28 form an integral part of these accounts

The financial statements on pages 6 to 28 were authorised and approved by the Board on 07/12/2012

and signed on its behalf by



JN Reyner CBE DL
Chairman

Notes to the financial statements

31 July 2012

Statement of accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current period and the preceding year.

Basis of accounting

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

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 July 2012. The results of subsidiaries acquired are included in the consolidated profit and loss account from the date that control passed. Intra-group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Joint venture companies

Joint ventures are accounted for in accordance with FRS 9 whereby the profit and loss account include, at the appropriate line, the group's share of operating profit or loss, exceptional items, interest and taxation. They are stated in the balance sheet at the group's share of their equity. Losses are recognised only to an amount which brings the group's share in the joint ventures net assets to nil. This reflects the contractual arrangements between the group and its joint venture companies.

Turnover

Turnover arose solely in the UK and mainly represents government and other funding invoiced net of VAT. Revenue is recognised once the services have been provided. Grant income received in advance is credited to "accruals and deferred income" and is released to income when the obligations under the grant have been satisfied and the related expenditure has been disbursed. Where grant monies are not paid in advance, income is reflected in profit and loss representing the value of work executed under the terms of the contract. Where grant monies have not been received but have been invoiced they are shown as trade debtors. Where grant monies are due to the group but have not been invoiced they are shown as accrued income.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date the transaction occurred. Exchange differences are taken to the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life at the following rates per annum,

Notes to the financial statements (continued)

31 July 2012

Statement of accounting policies (continued)

Office equipment and furniture	- 25%
Computer equipment	- 33%
Laboratory Equipment	-10%
Leasehold improvements	- Over the term of the lease

Fixed asset investments

Fixed asset investments are stated at current valuation less any provision for impairment

Operating leases

Operating leases are charged against income on a straight-line basis over the lease term. Benefits received as an incentive to sign an operating lease, are spread on a straight line basis over the shorter of the lease term or the first review date, at which the rent is first expected to be adjusted to the prevailing market rate.

Government grants

Grants for capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful life of the assets.

Grants received in respect of specific project expenditure are credited to deferred income and recognised in the profit and loss account in the same period as the related expenditure.

Pension costs

Staff employed by the company are either members of the Hertfordshire County Council Pension Scheme (a defined benefit scheme) or are members of the group administered personal pension plan (a defined contribution scheme).

In the case of the defined benefit scheme, the regular cost of providing benefits is charged to the profit and loss account over the service lives of the members participating in the Hertfordshire County Council Pension Scheme, on the basis of a consistent percentage of pensionable pay. Variations from regular cost arising from periodic actuarial valuations are allocated to the profit and loss account over the expected remaining service lives of the members. Any other changes in the fair value of assets and liabilities are recognised in the statement of total recognised gains and losses.

The costs of providing retirement and related benefits for the group administered personal pension plan are charged to the income and expenditure account over the periods during which the members are employed.

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (revised) for wholly owned subsidiary companies and has not presented its own cash flow statement.

Taxation

Corporation tax is provided at amounts expected to be paid or recovered using tax rates that have been enacted or substantially enacted by the balance sheet date.

Notes to the financial statements (continued)

31 July 2012

Statement of accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date

Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates expected to apply in the periods in which the timing differences are expected to reverse based on rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is measured on a non-discounted basis

Profit and loss account

The group accounts consolidate the accounts of Exemplas Holdings Limited and its subsidiary undertakings. The company has taken advantage of the exemption under Section 230 of the Companies Act 2006 not to present its own profit and loss account. Profit after tax for the financial period dealt within the accounts of Exemplas Holdings Limited was £nil (2011: nil)

Goodwill

Goodwill represents the difference between the cost of an acquired operation and the aggregate of the fair values of that operation's identifiable assets and liabilities. Positive purchased goodwill is capitalised and classified as an asset on the balance sheet. Where goodwill is regarded as having limited useful economic life, it is amortised over that life up to a maximum of 20 years. Currently goodwill is amortised over a period of 15 years. Impairment tests were performed at the end of the first year and thereafter subject to normal periodic reviews for indications of impairment.

Notes to the financial statements (continued)

31 July 2012

1 Profit on ordinary activities before taxation is stated after charging:

	2012 £	2011 £
Auditors' remuneration - audit fee	30,000	26,500
Goodwill written off	16,701	1,948
Depreciation	366,003	277,415
Profit on disposal of fixed assets	-	-
Operating lease charges – land and buildings	393,333	295,000
Costs of preparation for closing down discontinuing Joint Venture companies	-	2,222,325
	<u> </u>	<u> </u>

2 Taxation

	2012 £	2011 £
Current tax		
UK corporation tax on profit for the year	35,834	155,733
Adjustment in respect of prior years	(76,616)	13,037
Total current tax	<u>(40,782)</u>	<u>168,770</u>
Deferred tax		
Origination and reversal of timing differences	131,557	(8,695)
Effect of change in rate on opening balances	13,928	3,182
Adjustment in respect of prior years	(4,439)	-
Total deferred tax	<u>141,046</u>	<u>(5,513)</u>
Tax on profit on ordinary activities	<u>100,264</u>	<u>163,257</u>

Taxation in the profit and loss statement relates to the following

Parent and subsidiaries	92,672	140,168
Joint Ventures	7,592	1,591

Notes to the financial statements (continued)

31 July 2012

2 Taxation (continued)

Tax assessed for the period differs from the amount expected by applying the standard rate of corporation tax in the UK 25 5% (2011 28%) The differences are explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	(183,966)	157,059
Profit on ordinary activities multiplied by standard rate in the UK 25 5% (2011 28%)	(46,911)	43,976
Effects of		
Non taxable income	(15,297)	153,602
Expenses not deductible for tax purposes	229,516	223,532
Other timing differences	(27,422)	(278,734)
Losses not utilised	39,712	714
Tax rate difference	(5,059)	(1,092)
Adjustments in respect of prior years	(76,617)	13,037
Depreciation in excess of capital allowances for period	3,270	12,499
Additional income taxable	1,714	1,236
Group relief payable	8,604	-
Utilisation of tax losses brought forward	(154,576)	-
Trade losses carried back	2,284	-
Current tax charge for the year	(40,782)	168,770

3 Tangible fixed assets

Group	Leasehold improvements £	Computer equipment £	Office Equipment and furniture £	Laboratory Equipment £	Total £
Cost					
1 April 2011	3,120,254	873,530	176,901	219,077	4,389,762
Additions	466,078	54,603	101,187	-	621,868
Disposals					
31 July 2012	3,586,332	928,133	278,088	219,077	5,011,630
Depreciation					
1 April 2011	509,402	780,027	166,817	22,988	1,479,234
Charge for the year	200,498	89,936	46,359	29,210	366,003
Disposals					
31 July 2012	709,900	869,963	213,176	52,198	1,845,237
Net book amount					
At 31 July 2012	2,876,432	58,170	64,912	166,879	3,166,393
At 31 March 2011	2,610,852	93,503	10,084	196,089	2,910,528

Notes to the financial statements (continued)

31 July 2012

Company

The company had no fixed assets

4 Intangible assets (Group and Company)

	Goodwill on share purchases	Other	Total 2012	2011
	£	£	£	£
Cost at 1 April 2011	-	-	-	1,948
Additions	250,522	100,000	350,522	
Amortisation	(16,701)	-	(16,701)	(1,948)
At 31 July 2012	<u>233,821</u>	<u>100,000</u>	<u>333,821</u>	<u>-</u>

On the 28th July 2012 Exemplas Holdings Limited acquired the share capital of Metropolitan Enterprises Limited. The goodwill, which is being amortised over a period of 15 years, represents the difference between the consideration paid and the net assets of the company at the date of acquisition as outlined below

	Book and Fair Value £
Tangible fixed assets	117,488
Debtors	301,856
Cash	953,292
Creditors	(357,100)
Net assets	<u>1,015,536</u>
Goodwill	250,522
Consideration	<u>1,266,058</u>

The Other intangible assets comprise the purchase of a 3 year licence agreement with Vector Consulting Limited for £100,000. This will be amortised over the 3 year period of the licence.

Metropolitan Enterprises Limited earned a profit after tax of £ 713,819 in the period ended 31st July 2012 (2011 loss £ 281,253) of which a loss of £11,203 arose in the period 1 April 2011 to 27 July 2011. The summarised profit and loss account for the period from 1st April 2011 to 27th July 2012

	£
Turnover	636,213
Operating loss	11,603
Loss before tax	11,603
Tax	-
Loss for the 4 months ended 27 th July 2011	11,603

There were no recognised gains or losses in the four months ended 27th July 2011 other than the loss of £11,603

Notes to the financial statements (continued)

31 July 2012

5 Fixed asset investments

Company

	2012	2011
	£	£
At 1 April	76,981	44,928
Additions during year	1,266,058	32,053
Disposals	(33,948)	-
At 31 July	1,309,091	76,981
Investment additions arose on the purchase of shares in Metropolitan Enterprises Ltd Disposals arose on the write off of Trade Skills Academy Ltd		
Write down of Investments		
At 1 April	-	-
Write off of Goodwill	-	(1,948)
Provision against Trade Skills Academy Ltd	-	(32,000)
At 31 July	-	(33,948)
Net book value of investments	1,309,091	43,033

Investments in group undertakings are stated at cost As permitted by section 615 of the Companies Act 2006, where the relief afforded under section 612 of the Companies act 2006 applies, cost is the aggregate of the nominal value of the relevant number of the company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings

Notes to the financial statements (continued)

31 July 2012

At 31 July 2012, the company held the following investments

Company	% Shareholding £1 Ordinary Shares	Holding	Nature of Business
Hertfordshire Business Centre Services Limited	100%	£2	Dormant
Exemplas Limited	100%	£2	Provision of services to business
Hertfordshire Business Centre Limited	100%	£2	Dormant
Herts IDB Limited	100%	£2	Dormant
East of England IDB Limited	50%	£2	Provision of services to business
Bio Park Hertfordshire Limited	100%	£2	Provision of facilities management
Hertfordshire Development Organisation Limited	100%	£2	Dormant
East of England Brokerage Limited	100%	£2	Dormant
London Brokerage Limited	100%	£2	Provision of services to business
Polyfield Services Limited	100%	£14	Provision of services to business
Y&H IDB Limited	50%	£50	Provision of services to business
Employer Training Services	100%	£2	Dormant
South East IDB Limited	100%	£2	Dormant
Exemplas Training Limited	100%	£2	Dormant
Film Link Ltd	100%	£2	Services to film industry
Training Skills Academy Group Ltd	66%	£66	Provision of services to business
Sales Skills Academy	51%	£51	Provision of services to business
Metropolitan Enterprises Ltd	100%	£99	Provision of services to business
Exemplas Trade Services Ltd	100%	£2	Provision of services to business
BioPark Interactive Ltd	49%	£49	Provision of services to business
Exemplas Holdings Ltd	100%	£2	Provision of services to business
Herts Local Enterprise Partnership Ltd	100%	£2	Dormant
Corporate Degrees Ltd	100%	£2	Dormant
Enterprise Growth Solutions Ltd	50%	£1	Provision of services to business
East of England Trade Ltd	50%	£1	Dormant
Health Skills Academy Ltd	100%	£1	Dormant
Logistics Skills Academy Ltd	100%	£1	Dormant
Passenger Skills Academy Ltd	100%	£1	Dormant
Security Skills Academy Ltd	100%	£1	Dormant
Sport Skill Academy Ltd	100%	£1	Dormant
Capital Growth partners Ltd	50%	£1	Dormant
Centre for Medical Education & Continuing Professional Development	50%	£1	Dormant
East of England Business Links Ltd	50%	£2	Dormant
Apprentice 1st	50%	£50	Dormant
Asia Management Development Initiative Ltd	100%	£2	Dormant

Notes to the financial statements (continued)

31 July 2012

The following relates to the company share of investment in its joint venture East of England IDB Ltd

	2012	2011
	£	£
Turnover	8,284,879	12,087,392
Profit/(loss) before tax	(565)	1716
Taxation	(1,714)	1716
Profit after tax	(2,279)	-
Fixed Assets	-	-
Current Assets	-	358,122
Creditors amounts falling due within one year	2,279	3,581,175
Creditors amounts falling due after one year	-	-

The following relates to the company share of investment in its joint venture Y&H IDB Limited

	2012	2011
	£	£
Turnover	2,970,370	15,786,940
Profit before tax	812	1,292,026
Taxation	812	-
Profit after tax	-	1,292,026
Fixed Assets	-	212,038
Current Assets	-	2,806,573
Creditors amounts falling due within one year	-	1,343,220
Creditors amounts falling due after one year	-	1,674,776

The following relates to the company share of investment in its joint venture Enterprise Growth Solutions Limited

	2012	2011
	£	£
Turnover	678,758	-
Profit before tax	26,000	-
Taxation	(5,066)	-
Profit after tax	20,934	-
Fixed Assets	-	-
Current Assets	-	-
Creditors amounts falling due within one year	-	-
Creditors amounts falling due after one year	-	-

Notes to the financial statements (continued)

31 July 2012

The following relates to the company share of investment in its joint venture East of England Trade Limited

	2012	2011
	£	
Turnover	557,156	-
Profit before tax	-	-
Taxation	-	-
Profit after tax	-	-
Fixed Assets	-	-
Current Assets	-	-
Creditors amounts falling due within one year	-	-
Creditors amounts falling due after one year	-	-

Group

The following relates to Investments

	2011
	£
At 1 April 2011	1,595,661
Additions during year	49,771
Disposals	(500,000)
At 31 July 2012	<u>1,145,432</u>

Provision for diminution in value

At 1 April 2011	56,044
Increase in Provision	481,725
At 31 July 2012	<u>537,769</u>
Net Book value	
As at July 2012	<u>607,663</u>
As at March 2011	<u>1,539,617</u>

Notes to the financial statements (continued)

31 July 2012

During the year the company made investments in a number of unlisted companies. The holdings of investments constitute less than 20% of the issued share capital of these entities.

The directors assess investments for any diminution in value, whenever events or changes in circumstances indicate the carrying value of any investments may not be recoverable. If any such indication exists, a provision is made against those investments. The deferred grant income is then released in the same period to match with the related provision.

During the year amounts provided against the investments was £481,725 and an equal amount of deferred grant income was released in the same period to match the provision.

6 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	856,607	1,051,757	9,643	59
Amounts owed by group undertakings	-	-	-	946,692
Amounts owed by parent entity	815,015	1,063,153	-	239,460
Amounts owed by subsidiaries	1,227,003	909,081	-	1,783,911
Other debtors	307,181	24,995	222,369	8,451
Deferred tax (Note 11)	-	50,061	2,070	-
Prepayments and accrued income	2,519,027	1,403,375	247,953	304,896
	<u>5,724,833</u>	<u>4,502,422</u>	<u>482,035</u>	<u>3,283,469</u>

Group debtors have been restated to reflect the elimination of Joint Venture transactions.

7 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	559,236	949,992	107,156	62,906
Amounts owed to group undertakings	-	-	1,802,740	4,024,159
Corporation tax	44,715	67,009	-	-
Deferred Tax	39,097	-	-	-
Other creditors	419,724	75,056	24,663	73,070
Other taxation and social security	201,463	393,702	134,922	283,751
Accruals and deferred income	5,972,573	7,844,508	187,568	770,816
	<u>7,236,808</u>	<u>9,330,267</u>	<u>2,257,049</u>	<u>5,214,702</u>

Notes to the financial statements (continued)

31 July 2012

8 Share capital

	Authorised		Allotted, called-up and fully paid	
	2012	2011	2012	2011
	Number	Number	£	£
£1 Ordinary shares	100	100	100	100

Shareholders

	2012	2011
	%	%
University of Hertfordshire	98	98
Hertfordshire County Council	1	1
Hertfordshire Chamber of Commerce & Industry	1	1
	100	100

9 Reserves

	Group –other JV reserves	Group profit and loss account	Total Group profit and loss account	Company profit and loss account
	£	£	£	£
At 1 April 2011	565	5,544,295	5,544,860	517,784
Profit/(loss) for the financial year	(565)	(53,572)	(54,137)	39,710
Actuarial Gain/(Loss)		(4,000)	(4,000)	(4,000)
Deferred Tax		(920)	(920)	(920)
31 July 2012	-	5,485,803	5,485,803	552,574

10 Reconciliation of movements in shareholders' funds

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Opening shareholders' funds	5,544,960	4,610,158	517,884	(421,168)
Total recognised gains/(losses) for the period	(59,057)	934,802	34,790	939,052
Closing shareholders' funds	5,485,903	5,544,960	552,674	517,884

Notes to the financial statements (continued)

31 July 2012

11 Deferred tax (liability)/asset

Group	2012 £	2011 £
Other timing differences	50,061	50,061
At 1 April	50,061	44,548
Charged to the profit and loss account (Note 2)	(141,046)	5,513
Adjustments in respect of Goodwill	51,888	-
At 31 March/July	(39,097)	50,061
Company	2012 £	2011 £
Deferred tax on pension scheme	2,070	-

12 Employees

Number of employees

The average monthly number of employees during the period (including executive directors) was

	2012 Number	2011 Number
Operation	178	100
Administration	49	53
	227	153

Employment costs

	2012 £	2011 £
Salaries	7,155,702	5,052,027
Social security costs	790,425	563,710
Other pension costs	642,989	550,862
	8,589,116	6,166,599

Directors

	2012 £	2011 £
Directors' emoluments (including pension contributions)	497,895	380,405
Emoluments include		
	2012 £	2011 £
Highest paid director – remuneration and benefits	229,730	185,881

Notes to the financial statements (continued)

31 July 2012

12 Employees (continued)

	2012 Number	2011 Number
Directors Pensions		
Directors whose retirement benefits are accrued under defined contribution schemes	1	1
Directors whose retirement benefits are accrued under defined benefits schemes	1	1

13 Pensions

The Company operates a multi-employer defined benefit scheme. The basis on which the net pension liability is set out in the statement of accounting policies.

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 July 2012 by a qualified actuary.

The Company is currently contributing to the Scheme at a rate of 27.5% of pensionable salaries. For the period ended 31 July 2012, the Company contributed to the Scheme at a rate of 27.5% of pensionable salaries.

The major assumptions used by the actuary were (in nominal terms):

	31 July 2012 % p a	31 March 2011 % p a
Price increases	1.9	2.8
Salary increases	1.9	3.2
Pension increases	1.9	2.8
Discount rate	4.3	5.5

The expected rate of return on assets in the scheme were:

	31 July 2012 % p a	31 March 2011 % p a
Equities	5.6	7.5
Bonds	3.4	4.9
Property	3.7	5.5
Cash	2.8	4.6

Life expectancy from age 65 (years)

Retiring today	Males	22.1
	Females	25.1
Retiring in 20 years	Males	23.2
	Females	26.1

The post retirement mortality tables adopted were the PA92 and PMA92 series projected to calendar year 2027 for current pensioners and calendar year 2046 for non-pensioners. Age ratings are applied based on membership profile.

Notes to the financial statements (continued)

31 July 2012

13 Pensions (continued)

Net pension liability as at	31 July 2012	31 March 2011
	£'000	£'000
Present value of funded obligation	(2,647)	(2,553)
Fair value of scheme assets (brd value)	2,638	2,430
Net Liability	(9)	(123)

The amounts recognised in the profit and loss statements as at	31 July 2012	31 March 2011
	£'000	£'000
Current service cost	64	65
Past service cost	-	29
Losses/(gains) on curtailments and settlements	-	-
Total operating charge	64	94
Interest on obligation	191	204
Expected return on scheme assets	(229)	(204)
Total charged to current period profit and loss account	26	94

Actual return on scheme assets	258
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Reconciliation of opening and closed balances of the present value of the defined benefit obligation	31 July 2012	31 March 2011
	£'000	£'000
Opening defined benefit obligation	2,553	3,953
Service cost	64	65
Interest cost	191	204
Actuarial losses/(gains)	(137)	(1,303)
Losses/(gains) on curtailments	-	-
Estimated benefits paid (net of transfers in)	(47)	(85)
Past service cost	-	29
*Past service gain	-	(330)
Contributions by scheme participants	23	20
Closing defined benefit obligation	2,647	2,553

Notes to the financial statements (continued)

31 July 2012

13 Pensions (continued)

Reconciliation of opening and closed balances of the fair value of scheme assets	31 July 2012 £'000	31 March 2011 £'000
Opening fair value of scheme assets	2,430	2,909
Change in asset disclosure method		-
Expected return on scheme assets	229	204
Actuarial gains/(losses)	(141)	(692)
Contributions by employer	144	74
Contributions by scheme participants	23	20
Estimated benefits paid (net of transfers in)	(47)	(85)
Fair value of scheme assets at end of period	2,638	2,430

Statement of total recognised gains and losses (STRGL)	31 July 2012 £'000	31 March 2011 £'000
Actual return less expected return on pension scheme assets	(141)	54
Experience gains and losses arising on the scheme liabilities	(14)	-
*Past service gain	-	330
Change in assumptions underlying present value of the scheme	151	557
Actuarial gain/(loss) in pension scheme and STRGL	(4)	941

Reconciliation of opening and closing surplus	31 July 2012 £'000	31 March 2011 £'000
Deficit in scheme at beginning of period	(123)	(1,044)
Movement in period		
Current service cost	(64)	(65)
Employer contributions	144	74
Past service costs	-	(29)
Other finance income	38	-
*Past service gain	-	330
Actuarial (loss)/gain	(4)	611
Deficit in scheme at end of period	(9)	(123)

Notes to the financial statements (continued)

31 July 2012

13 Pensions (continued)

Amounts for the current and previous four periods

	Year to March 2012	Year to March 2011
	£'000	£'000
Defined benefit obligation	(2,647)	(2,553)
Surplus/(deficit)	(9)	(123)
Experience adjustments on scheme liabilities	(14)	582
Experience adjustments on scheme assets	(141)	(692)

	Year to March 2010	Year to March 2009
	£'000	£'000
Defined benefit obligation	(3,953)	(2,348)
Surplus/(deficit)	(1,044)	(212)
Experience adjustments on scheme liabilities	-	-
Experience adjustments on scheme assets	571	(860)

	Year to March 2008
	£'000
Defined benefit obligation	(2,327)
Surplus/(deficit)	382
Experience adjustments on scheme liabilities	282
Experience adjustments on scheme assets	(72)

For consistency the assets are shown at bid price (estimated where necessary) for the periods prior to 31 July 2012

Projected amount to be charged to operating profit for year to 31 July 2012	Year to 31 July 2013
	£'000
Projected service cost	42
Interest cost	114
Return on assets	(131)
Total	25
Estimated employer contributions for the year to 31 March 2013	111

Notes to the financial statements (continued)

31 July 2012

14 Parent undertaking

At 31 July 2012, the companies' shareholders were as follows

The University of Hertfordshire (UH)	98%
The Hertfordshire Chamber of Commerce and Industry (HCCI)	1%
Hertfordshire County Council (HCC)	1%

During the period operating and admin costs of £579,287 (2011 £906,128) were charged to the company by the University of Hertfordshire

During the period operating costs and admin costs of £2,147 (2011 £4,136) were charged to the company by Hertfordshire County Council

During the period operating and admin costs of £8,913 (2011 £5,762) were charged to the company by the Hertfordshire Chamber of Commerce and Industry

During the period income of £2,001,034 (2011 £2,077,039) was received from the University of Hertfordshire

During the period income of £5,366 (2011 £631,421) was received from Hertfordshire County Council

During the period income of £2,675 (2011 £5,010) was received from Hertfordshire Chamber of Commerce and Industry

Net Debtor Balances at year end	2012	2011
	£	£
University of Hertfordshire	792,000	844,494
Hertfordshire Chamber of Commerce	-	437
Hertfordshire Country Council	-	-

Net Creditor Balances at Year End

University of Hertfordshire	130,261	-
Hertfordshire Chamber of Commerce	-	-
Hertfordshire Country Council	-	-

Notes to the financial statements (continued)

31 July 2012

The accounts of Exemplas Holdings Limited are consolidated with the financial statements of the University of Hertfordshire. The financial statements of the University of Hertfordshire can be obtained from The University of Hertfordshire, College Lane, Hatfield Hertfordshire AL10 9AB

15 Financial commitments

At 31 July 2012, the group had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Land and buildings		
Between one and five years	<u>393,333</u>	<u>295,000</u>

16 Related Party Disclosures

The company has relied upon the exemption conferred by paragraph 3c of FRS 8 and accordingly related party transactions with wholly owned group companies are not disclosed