

Registered Number: 02763292

Exemplas Holdings Limited

Group Financial Statements for the year ended 31 July 2014

TUESDAY



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COMPANIES HOUSE

Company Information
Registered Number: 02763292

Directors

GJ Hodge (Chairman)

J Barnes

PM Billingham

QA McKellar CBE

AM Puddefoot

DCM Moule

JA Newlan MBE

Secretary

AM Puddefoot

Registered Office

BioPark

Broadwater Road

Welwyn Garden City

Hertfordshire

AL7 3AX

Auditors

Grant Thornton UK LLP

Grant Thornton House

Melton Street

Euston Square

London

NW1 2EP

Bankers

National Westminster Bank plc

10 St Peter's Street

St Albans

Hertfordshire

AL1 3LY

Strategic Report

The directors present their annual report, including the Strategic Report and the audited statements for the year ended 31 July 2014.

Principal Activities

The company's principal activity is unchanged from last year and consists of the provision of a wide range of business advice and support services including information, training, consultancy, events and rental of lab and office space.

Business Review

The turnover for the year was £16m (2013: £14m), 14% better than the previous year. Profit before tax for the year at £597k (2013: £1,734k loss) represents £2,331k improvement on 2013. This is a significant turnaround in performance for the business and has been achieved against the background of on-going economic and business challenges. The improvement in performance reflects the successful implementation of a turn-around plan and strategic business review which included the following:

- Realignment of business lines to re-focus on the company's core competencies
- Closure of a number of unprofitable business areas
- Restructuring of departments and business areas for greater efficiencies
- Focus on overhead cost management and value for money resulting in the implementation of cost reduction initiatives
- While the cost reductions have resulted in some headcount reductions, we have sought to re-deploy staff wherever possible within the new business structure and have been able to target recruitment to align with the new strategy
- Improved supply chain management and financial controls including debtors and cash
- Continued building of external relationships in key markets
- Working more closely with our parent company on joint initiatives and business synergies

Key Performance Indicators

	Actual 2013-14	Actual 2012-13
Income	£16m	£14m
Profit before tax	£597k	£(1,734)k

Income at £16m was £2m better than last year largely as a result of winning performance bonuses under the UK Trade and Investment contract by exceeding key performance indicators, therefore generating additional income; we also had higher than target laboratory and office rental income in our Bio Park facility and we have maximised and gained additional income from existing contracts together with winning new non-government contracts for services within our core capabilities.

Strategic Report (continued)

The profit before tax of £597k from a loss of £1,734k in the previous year represents a significant turn around and reflects not only the appropriateness of the strategies identified above where unprofitable areas or business areas outside the company's core competencies were closed, streamlined or restructured, but also the hard work and commitment of our staff, who continued to deliver a high quality service to our customers and clients, during a period of significant change in the way we run our business.

Other key highlights during the year:

- The sale of the investment in the joint venture company BioPark Interactive Ltd which resulted in a profit on sale of £102k.
- There were significant savings in back office costs.
- The improvement in our results is net of an investment of £100k for research and development into a new business development project.
- The back office function continues with its focus to further strengthen and underpin the financial reporting and quality management and to streamline processes within the company.
- There has also been a review of marketing strategy focus for commercial activity which has resulted in a move to work more closely with large corporate companies and improvement in the quality and quantity of pipeline and repeat business.
- Activity has begun to align with parent company back office systems, thereby gaining further costs savings and efficiencies.
- The above performance has been underpinned by strong cash management and debtor control, and is reflected by the steady increase in cash during the year which has meant that the loan facility by the parent company, the University of Hertfordshire, was not required. We are forecasting this steady increase in cash to continue during the year 2014/15.
- The company expects the improved performance to continue in 2014/15 with 78% of the budget already contracted with improved quality pipeline and repeat sales.
- During the year the finalisation of the closure of Training Skills Academy Ltd took place.

Dividends

The directors do not propose a dividend for the year ended 31 July 2014 (2013:£nil).

Donations

The Company did not make any charitable or political donations during the year (2013:£nil).

Strategic Report (continued)

Principal Risks and Uncertainties

Discussed below are the principal risks and uncertainties that could impact the company's future performance, and the mitigating activities undertaken.

Area of Principal Risk/Uncertainty	Description and examples of Mitigating Activities
1 Loss of business due to changes in government and/or government policy affecting public sector contracts, natural contract end	<ul style="list-style-type: none">• Development of business not reliant on government contracts• Awareness of new potential bidding opportunities• Develop strategic relationships with key decision makers within government support services.• Scenario planning to manage risks
2 UK economic climate effect due to lack of business confidence	<ul style="list-style-type: none">• Robust management of current year forecast process• Monthly reforecasts including action plans to address risks identified• Effective budgetary and other financial controls, including cash management
3 Changes in rules related to government funded projects post signed contracts	<ul style="list-style-type: none">• Regular review of contracts together with reviews and audits conducted by our Business Improvement Team
4 Long lead times for Consultancy and International projects	<ul style="list-style-type: none">• Significantly Increasing pipeline over current level• Ensure a balanced mix of short and longer term turnaround commercial projects• Increased focus on customer referrals and account management.

On behalf of the board



Graham Hodge

Chairman

Date 18/11/2014

Directors' Report

Directors

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

GJ Hodge (Chairman)

J Barnes – (appointed 29 November 2013)

PM Billingham

QA McKellar CBE

AM Puddefoot

Y Rugg (resigned 9 June 2014)

B Wisdom – (resigned 19 November 2013)

J Wood – (resigned 9 June 2014)

On 22nd September 2014 DCM Moule and JA Newlan MBE were appointed as directors. On 22nd September 2014 QA McKellar CBE resigned as a director.

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the company and group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

To the best of our knowledge:

- the group financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the annual report including the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Directors' Report (continued)

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 they ought to have taken as a director in order to make themselves 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.

Auditors

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 on 6 November 2014.

Approval

The report of the directors was authorised and approved by the Board on 18/11/2014 and signed on its behalf by:



GJ Hodge
Chairman

Auditors' Report

Independent auditor's report to the members of Exemplas Holdings Limited

We have audited the financial statements of Exemplas Holdings Limited for the year ended 31 July 2014 which comprise the consolidated profit and loss account, the group and parent company balance sheets, the statement of group total recognised gains and losses 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2014 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 Strategic Report and 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

Richard Shaw
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
London

27 November 2014

Consolidated Profit and Loss account

Year ended 31 July 2014

	Notes	Year To 31 July 2014	Year To 31 July 2013
		£	£
Income		16,233,615	13,964,906
Less Income attributable to Joint Venture (continuing)		(1,598,573)	(1,594,090)
Less Income attributable to Joint Venture (discontinuing)		(313,037)	-
Total Income		14,322,005	12,370,816
 Operating Costs		 (12,201,011)	 (12,191,058)
Administrative Expenses		(1,758,439)	(1,855,767)
Group Operating Profit/(Loss)		362,555	(1,676,009)
Share of Operating Profit in Joint Ventures (continuing)		167,479	46,405
Share of Operating Profit in Joint Ventures (discontinuing)		16,676	-
Exceptional Items			
Profit on disposal of investment		102,361	-
Profit on ordinary activities before interest		649,071	(1,629,604)
 Interest Receivable - Group		 66,379	 9,213
Interest Receivable - Joint Ventures		-	-
Other finance cost		(118,000)	(114,000)
Profit/(Loss) on Ordinary Activities before Taxation	1	597,450	(1,734,391)
Taxation	4	(69,527)	48,928
Profit/(Loss) on Ordinary Activities after Taxation before Minority Interest		527,923	(1,685,463)
Minority Interest		-	(232,544)
Profit/(Loss) on Ordinary Activities after Taxation and Minority Interest		527,923	(1,918,007)

Other than where shown, all results arise from continuing activities and are recognised in the Profit and Loss account above.

Statement of Group Total Recognised Gains and Losses

For the year ended 31 July 2014

	2014	2013
	£	£
Profit/(loss) for the year	527,923	(1,918,007)
Deferred tax	147,600	(139,860)
Actuarial gain/(loss) relating to the pension scheme	<u>(715,000)</u>	<u>666,000</u>
Total recognised gains and losses for the year	<u>(39,477)</u>	<u>(1,391,867)</u>

The notes on pages 12 to 28 form an integral part of these accounts.

Group Balance Sheet

31 July 2014

Registered number: 02763292

	Notes	£	2014 £	£	2013 £
Fixed Assets					
Tangible assets	5		2,794,102		2,933,176
Investments	7		682,521		868,676
Intangible assets	6		200,452		283,786
Investments in joint ventures					
Share of gross assets		505,506		1,065,350	
Share of gross liabilities		(287,233)		(325,666)	
			218,273		739,684
			3,895,348		4,825,322
Current Assets					
Debtors due within 1 year	8		3,063,519		3,023,491
Debtors due within more than 1 year	9		880,000		-
Cash at bank and in hand					
Restricted cash	10	708,088		814,172	
Unrestricted cash		1,531,938		1,161,707	
			2,240,026		1,975,879
			6,183,545		4,999,370
Creditors: amounts falling due within one year	11		(6,117,334)		(6,472,656)
Net Current Assets/(Liabilities)			66,211		(1,473,286)
Total Assets less Current Liabilities			3,961,559		3,352,036
Pension Asset	16		93,000		742,000
Net Assets			4,054,559		4,094,036
Capital and Reserves					
Called-up share capital	12		100		100
Profit and loss reserve	13		4,054,459		4,093,936
Total shareholders' funds	14		4,054,559		4,094,036
Capital Employed			4,054,559		4,094,036

The notes on pages 12 to 28 form an integral part of these financial statements. The financial statements were authorised and approved by the Board on 18/11/2014 and signed on its behalf by:



GJ Hodge

Chairman

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Company Balance Sheet

31 July 2014

Registered number: 02763292

	Notes	2014 £	2013 £
Fixed Assets			
Investments	7	1,266,064	1,309,091
Intangible assets	6	-	66,667
		<u>1,266,064</u>	<u>1,375,758</u>
Current Assets			
Debtors	8	82,253	296,439
Cash at bank and in hand		<u>1,119,398</u>	<u>1,065,352</u>
		1,201,651	1,361,791
Creditors: amounts falling due within one year	11	<u>(2,086,109)</u>	<u>(2,428,068)</u>
Net Current Liabilities		(884,458)	(1,066,277)
Total Assets less Current Liabilities		381,606	309,481
Pension Asset	16	<u>93,000</u>	<u>742,000</u>
Net Assets		<u>474,606</u>	<u>1,051,481</u>
Capital and Reserves			
Called-up share capital	12	100	100
Reserves	13	<u>474,506</u>	<u>1,051,381</u>
Equity Shareholders' Funds	14	<u>474,606</u>	<u>1,051,481</u>

The notes on pages 12 to 28 form an integral part of these accounts.

The financial statements on pages 8 to 28 were authorised and approved by the Board on
and signed on its behalf by:

18/11/2014



GJ Hodge
Chairman

Notes to the Financial Statements

31 July 2014

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 2014. Intra-group sales and profits are eliminated fully on consolidation. Following the sale of its shares in BioPark Interactive the company's share of the assets and liabilities has been fully eliminated on consolidation.

Profit and Loss Account

The group accounts consolidate the accounts of Exemplas Holdings Limited and its subsidiary undertakings. No profit and loss account is presented for Exemplas Holdings Ltd as permitted by section 408 of the Companies Act 2006. The loss for the company for the year after tax amounted to £9,475 (2013:£27,333).

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 and in the case of incentive income when the income is certain. 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.

Provisions

Provisions are recognised when the institution has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Notes to the Financial Statements (continued)

31 July 2014

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;

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 2014

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.

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.

1 Profit on Ordinary Activities before Taxation is stated after charging:

	2014 £	2013 £
Auditors' Remuneration - Audit Fee	20,000	20,500
Goodwill Amortisation	16,668	16,701
Depreciation	234,725	283,541
Loss on Disposal of Fixed Assets	-	(3,150)
Operating Lease Charges – Land and Buildings	454,400	473,900
Operating Lease Charges – Other	13,280	13,280

2 Profit and Loss Account - Continuing and Discontinued Operations

Amounts in £000's						
	Continuing	2014 Dis-continued	Total	Continuing	2013 Dis-continued	Total
Income	15,921	313	16,234	13,787	178	13,965
Less Income Attributable to Joint Venture	(1,599)	(313)	(1,912)	(1,594)	-	(1,594)
Total Income	14,322	-	14,322	12,193	178	12,371
Operating and Administrative Costs	(13,959)	-	(13,959)	(13,561)	(486)	(14,047)
Group Operating Profit/Loss	363	-	363	(1,368)	(308)	(1,676)

Notes to the Financial Statements (continued)

31 July 2014

3 Employees

Number of Employees

The average monthly number of employees during the period (including Executive Directors) was:

	2014 Number	2013 Number
Operation	169	168
Administration	34	57
	<u>203</u>	<u>225</u>

Employment Costs

	2014 £	2013 £
Salaries	6,489,510	6,889,164
Social Security Costs	653,812	707,701
Other Pension Costs	415,811	501,040
	<u>7,559,133</u>	<u>8,097,905</u>

Directors

	2014 £	2013 £
Directors' Emoluments (including Pension Contributions)	<u>379,544</u>	<u>455,614</u>

Emoluments include:

	2014 £	2013 £
Highest Paid Director – Remuneration and Benefits	<u>140,957</u>	<u>140,486</u>

Directors Pensions

	2014 Number	2013 Number
Directors whose Retirement Benefits are accrued under Defined Contribution Schemes	0	1
Directors whose Retirement Benefits are accrued under Defined Benefits Schemes	0	1

Notes to the Financial Statements (continued)

31 July 2014

4 Taxation

	2014 £	2013 £
Current Tax:		
UK Corporation Tax on Profit for the Year	38,606	18,061
Adjustment in respect of prior Years	(2,060)	(48,830)
Total Current Tax	36,546	(30,769)
Deferred Tax:		
Origination and Reversal of Timing differences	30,646	(11,214)
Effect of Change in Rate on Opening Balances	(8,105)	(3,778)
Adjustment in respect of Prior Years	10,440	(3,167)
Total Deferred Tax	32,981	(18,159)
Tax on Profit on Ordinary Activities	69,527	(48,928)

Taxation in the Profit and Loss Statement relates to the following:

Parent and Subsidiaries	31,699	(64,967)
Joint Ventures	37,828	16,039

Tax assessed for the period differs from the amount expected by applying the standard rate of Corporation Tax in the UK 22.33% (2013: 23.67%). The differences are explained below:

	2014 £	2013 £
Profit/(Loss) on Ordinary Activities before Tax	597,450	(1,734,392)
Profit/(Loss) on Ordinary Activities multiplied by standard rate in the UK 22.33% (2013: 23.67%)	133,410	(410,458)
Effects of:		
Non Taxable Income	(28,620)	(16,093)
Expenses not Deductible for Tax Purposes	25,857	25,633
Other Timing Differences	-	(2,179)
Losses not Utilised	-	399,860
Tax Rate Difference	-	(3,314)
Adjustments in respect of Prior Years	(2,061)	(48,831)
Depreciation in excess of Capital Allowances for the period	2,359	13,906
Additional Income Taxable	-	-
Marginal Relief	(3,498)	-
Utilisation of Tax Losses brought forward	(76,162)	-
Trade Losses carried back	-	30,822
Amounts credited directly to STRGL	(164,807)	157,614
Defined Benefit Scheme Timing Difference	150,068	(177,730)
Current Tax Charge for the Year	36,546	(30,769)

Notes to the Financial Statements (continued)

31 July 2014

5 Tangible Fixed Assets

Group

	Leasehold Improvements £	Computer Equipment £	Office Equipment and Furniture £	Laboratory Equipment £	Total £
Cost					
1 August 2013	3,193,822	327,403	212,519	213,542	3,856,286
Additions	74,413	17,020	15,356	-	106,789
Disposals	(10,285)	-	(853)	-	(11,138)
31 July 2014	3,257,950	344,423	136,022	213,542	3,951,937
Depreciation					
1 August 2013	474,276	294,143	82,292	72,399	923,110
Charge for the year	162,464	26,455	35,577	21,354	245,850
Disposals	(10,285)	-	(840)	-	(11,125)
31 July 2014	626,455	320,598	117,029	93,753	1,157,835
Net book amount					
At 31 July 2014	2,631,495	23,825	18,993	119,789	2,794,102
At 31 July 2013	2,719,546	8,098	64,388	141,143	2,933,176

The cost and accumulated depreciation at 31 July have been restated following a review of the underlying fixed asset register. The net book value at 31 July 2013 remains unchanged.

The company had no fixed assets.

6 Intangible Assets (Group)

Goodwill on Share Purchases

	2014
Cost	£
1 August 2013	250,522
Additions	-
At 31 July 2014	250,522
Amortisation	
1 August 2013	(33,402)
Amortisation for year	(16,668)
At 31 July 2014	(50,070)
At 31 July 2014	200,452
At 31 July 2013	217,120

The goodwill arose on the purchase of shares in Metropolitan Enterprises Ltd in July 2012 and is amortised over 15 years.

Notes to the Financial Statements (continued)

31 July 2014

Intangible Assets (Company)

Licence Agreement

	2014 £
Cost	
1 August 2013	100,000
Additions	<u>-</u>
At 31 July 2014	<u>100,000</u>
Amortisation	
1 August 2013	(33,333)
Amortisation for year	<u>(66,667)</u>
At 31 July 2014	<u>(100,000)</u>
At 31 July 2014	<u>-</u>
At 31 July 2013	<u>66,667</u>

The other Intangible Assets comprise the purchase of a 3 year licence agreement with Vector Consulting Limited for £100,000. This has been fully amortised this year in advance of the 3 year period as the licence agreement has been terminated.

7 Fixed Asset Investments

Company

	2014 £
At 1 August 2013	1,309,091
Additions during year	-
Disposals	<u>(43,027)</u>
Net book value as at 31 July 2014	<u>1,266,064</u>
Net book value as at 31 July 2013	<u>1,309,091</u>

Notes to the Financial Statements (continued)

31 July 2014

At 31 July 2014, the company held the following investments.

Company	% Shareholding £1 Ordinary Shares	Holding	Nature of Business
Exemplas Limited	100%	£2	Provision of services to business
Bio Park Hertfordshire Limited	100%	£2	Provision of facilities management
London Brokerage Limited	100%	£2	Provision of services to business
Film Link Ltd	100%	£2	Services to film industry
Training Skills Academy Group Ltd	66%	£66	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
Enterprise Growth Solutions Ltd	50%	£1	Provision of services to business
East of England Business Links Ltd	-	-	Dormant

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

	2014 £	2013 £
Turnover	1,598,573	1,423,782
Profit before tax	167,479	80,001
Taxation	(34,104)	(16,038)
Profit after tax	133,375	63,963
Fixed Assets	-	-
Current Assets	508,795	401,579
Creditors: amounts falling due within one year	(249,953)	(279,418)
Creditors: amounts falling due after one year	(37,280)	(37,280)

The following relates to the company share of investment in its joint venture BioPark Interactive Limited

	2014 £	2013 £
Turnover	313,038	123,688
Profit/(loss) before tax	16,676	(35,310)
Taxation	3,724	-
Profit/(loss) after tax	12,952	(35,310)
Fixed Assets	-	485,383
Current Assets	-	178,370
Creditors: amounts falling due within one year	-	167,431
Creditors: amounts falling due after one year	-	531,635

Notes to the Financial Statements (continued)

31 July 2014

Group

The following relates to Investments

	£
At 1 August 2013	1,001,351
Write down of cost	(231,744)
Additions during year	32,459
Disposals	(104)
At 31 July 2014	<u>801,962</u>

Provision for Diminution in Value

At 1 August 2013	132,675
Write down of cost	(231,744)
Decrease in Provision	<u>218,510</u>
At 31 July 2014	<u>119,441</u>

Net Book Value

As at July 2014	<u>682,521</u>
As at July 2013	<u>868,676</u>

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 a release of provisions against the investments of £218,510 was made and an equal amount of Deferred Grant Income was released in the same period to net against this provision release. There is a decrease in the cost of investment due to the write down of the opening balance. There is no impact on the net book value or the profit and loss.

Notes to the Financial Statements (continued)

31 July 2014

8 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade Debtors	876,641	975,621	2,670	45,673
Amounts owed by Group Undertakings	-	-	-	91,133
Amounts owed by Parent Entity	42,891	-	-	54,728
Amounts owed by Related Party	28,747	690,100	-	-
Other Debtors	132,865	100	12,865	100
Corporation Tax	31,907	37,935	-	-
Prepayments and Accrued Income	1,950,468	1,319,735	66,718	104,805
	<u>3,063,519</u>	<u>3,023,491</u>	<u>82,253</u>	<u>296,439</u>
	2014	2013	2014	2013
	£	£	£	£
9 Debtors greater than one year	<u>880,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

This relates to a loan to BioPark Interactive Ltd for £1,000,000 for the purchase of assets. The loan is repayable over 5 years. Interest at a rate of 5% is payable monthly on the outstanding loan balance. As security, Exemplas Holdings Limited has first fixed charge and ownership of the assets in the event of any default in payment of the loan.

10 Restricted Cash

The restricted cash relates to cash received for a government funded project to invest in unlisted companies in deprived areas of the East of England. Under the terms of the funding agreement the monies are held as deferred income and used solely to purchase equity shares in identified companies. Any money received from the sale of any such investment is credited to the restricted cash accounts to be used for future investments.

11 Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	455,038	404,189	43,368	82,651
Amounts owed to group undertakings	-	18,751	1,764,932	1,830,878
Corporation tax	-	-	-	-
Deferred Tax (note 15)	46,044	162,821	8,396	149,836
Other creditors	71,831	367,554	70,719	13,750
Other taxation and social security	484,591	252,132	79,485	170,932
Accruals and deferred income	5,059,830	5,267,209	119,209	180,021
	<u>6,117,334</u>	<u>6,472,656</u>	<u>2,086,109</u>	<u>2,428,068</u>

Notes to the Financial Statements (continued)

31 July 2014

12 Share Capital

	Authorised 2014 Number	2013 Number	Allotted, Called-up and Fully Paid 2014 £	2013 £
£1 Ordinary Shares	100	100	100	100

Shareholders

	2014 %	2013 %
University of Hertfordshire	100	98
Hertfordshire County Council	-	1
Hertfordshire Chamber of Commerce & Industry	-	1
	100	100

13 Reserves

	Total Group Profit and Loss Account £	Company Profit and Loss Account £
At 1 August 2013	4,093,936	1,051,381
Profit/(Loss) for the Financial Year	527,923	(9,475)
Actuarial Gain	(715,000)	(715,000)
Deferred Tax	147,600	147,600
31 July 2014	4,054,459	474,506

14 Reconciliation of movements in Shareholders' Funds

	Group 2014 £	2013 £	Company 2014 £	2013 £
Opening Shareholders' Funds	4,094,036	5,485,903	1,051,481	552,674
Total Recognised Gains and Losses for the period	(39,477)	(1,391,867)	(576,875)	498,807
Closing shareholders' funds	4,054,559	4,094,036	474,606	1,051,481

Notes to the Financial Statements (continued)

31 July 2014

15 Deferred Tax Liability Group

	2014 £	2013 £
Other Timing Differences	(7001)	(39,097)
At 1 August	(7,001)	(39,097)
Charged to the Profit and Loss Account	(25,044)	32,096
Adjustments in respect of Goodwill	-	-
At 31 July	(32,045)	(7,001)
	2014 £	2013 £
Group and Company		
Deferred Tax on Pension Scheme	(14,000)	(155,820)

16 Pensions

The company operates a multi-employer Defined Benefit Scheme. The basis on which the Net Pension Liability is calculated 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 2014 by a qualified actuary.

The company is currently contributing to the Scheme at a rate of 25% of pensionable salaries. For the year ended 31 July 2014, the company contributed to the Scheme at a rate of 25% of pensionable salaries.

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

	31 July 2014 % p.a.	31 July 2013 % p.a.
Expected Return on Assets	5.8	4.8
Salary Increases	1.9	1.9
Pension Increases	1.9	1.9
Discount Rate	4.8	4.8

The Expected Rate of Return on Assets in the scheme were:

	31 July 2014 % p.a.	31 July 2013 % p.a.
Equities	6.6	6.4
Bonds	3.7	3.8
Property	4.7	4.6
Cash	3.6	3.4

Life Expectancy from age 65 (years)

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

Notes to the Financial Statements (continued)

31 July 2014

16 Pensions (continued)

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.

Net Pension Asset as at	31 July 2014	31 July 2013
	£'000	£'000
Present Value of Funded Obligation	(3,224)	(2,480)
Fair Value of Scheme Assets (Bid Value)	4,879	3,222
Net Asset	1,655	742

The amounts recognised in the Profit and Loss statements as at	31 July 2014	31 July 2013
	£'000	£'000
Current Service Cost	18	38
Total Operating Charge	18	38
Interest on Obligation	118	114
Expected Return on Scheme Assets	(187)	(131)
Total charged to current period Profit and Loss Account	(51)	21

Actual Return on Scheme Assets	243	500
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Reconciliation of Opening and Closed Balances of the Present Value of the Defined Benefit Obligation	31 July 2014	31 July 2013
	£'000	£'000
Opening Defined Benefit Obligation	2,480	2,647
Service Cost	18	38
Interest Cost	118	114
Actuarial Gains	1,242	(297)
Estimated Benefits Paid (Net of Transfers In)	(60)	(38)
Contributions by Scheme Participants	8	16
Closing Defined Benefit Obligation	3,806	2,480

Reconciliation of Opening and Closed Balances of the Fair Value of Scheme Assets	31 July 2014	31 July 2013
	£'000	£'000
Opening Fair Value of Scheme Assets	3,222	2,638
Expected Return on Scheme Assets	187	131
Actuarial Gains/(Losses)	1,456	369
Contributions by Employer	66	106
Contributions by Scheme Participants	8	16
Estimated Benefits Paid (Net of Transfers In)	(60)	(38)
Fair Value of Scheme Assets at end of period	4,879	3,222

Notes to the Financial Statements (continued)

31 July 2014

16 Pensions (continued)

	31 July 2014	31 July 2013
	£'000	£'000
Statement of Total Recognised Gains and Losses (STRGL)		
Actual Return less Expected Return on Pension Scheme Assets	1,456	369
Experience Gains and Losses arising on the Scheme Liabilities	(683)	(2)
Change in Assumptions Underlying Present Value of the Scheme	(559)	299
Effect of Cap on pension surplus	(929)	-
Actuarial Gain/(Loss) in Pension Scheme and STRGL	(715)	666

	31 July 2014	31 July 2013
	£'000	£'000
Reconciliation of Opening and Closing Surplus		
Surplus in Scheme at beginning of year	742	(9)
Movement in period:		
Current Service Cost	18	(38)
Employer Contributions	66	106
Other Finance Income	33	17
Actuarial Gain	214	666
	1,073	742
Effect of cap on pension surplus	(980)	-
Surplus in Scheme at the end of the period	93	742

Amounts for the Current and Previous Four Periods

	Year to March 2014	Year to March 2013
	£'000	£'000
Defined Benefit Obligation	(3,224)	(2,480)
Surplus	70	742
Experience Adjustments on Scheme Liabilities	(683)	(2)
Experience Adjustments on Scheme Assets	1,456	369

	Year to July 2012	Year to July 2011
	£'000	£'000
Defined Benefit Obligation	(2,647)	(2,553)
Deficit	(9)	(123)
Experience Adjustments on Scheme Liabilities	(14)	582
Experience Adjustments on Scheme Assets	(141)	(692)

	Year to July 2010
	£'000
Defined Benefit Obligation	(3,953)
Deficit	(1,044)
Experience Adjustments on Scheme Liabilities	-
Experience Adjustments on Scheme Assets	571

For consistency the assets are shown at bid price (estimated where necessary) for the periods prior to 31 July 2014.

Notes to the Financial Statements (continued)

31 July 2014

16 Pensions (continued)

Projected Amount to be charged to Operating Profit for year to 31 July 2015

Year to 31 July 2015
£'000

Projected Service Cost	21
Interest Cost	154
Return on Assets	(282)
Total	(107)
Estimated Employer Contributions for the year to 31 July 2015	28

17 Parent Undertaking

At 31 July 2014, the companies' shareholders were as follows:

	2014	2013
The University of Hertfordshire (UH)	100%	98%
The Hertfordshire Chamber of Commerce and Industry (HCCI)	-	1%
Hertfordshire County Council (HCC)	-	1%

On 27 June 2014, the University of Hertfordshire acquired 1 share each from the Hertfordshire Chamber of Commerce and Industry (HCCI) and Hertfordshire County Council (HCC,) therefore owning 100% of Exemplas Holdings Ltd.

During the period Operating and Admin Costs of £5,877 (2013: £250,000) were charged to the company by the University of Hertfordshire.

During the period Operating Costs and Admin Costs of £1,171 (2013: £2,913) were charged to the company by Hertfordshire County Council.

During the period Operating and Admin costs of £1,212 (2013: £906) were charged to the company by the Hertfordshire Chamber of Commerce and Industry.

During the period Income of £335,877 (2013: £717,814) was received from the University of Hertfordshire.

During the period Income of £82 (2013:£nil) was received from Hertfordshire County Council.

During the period Income of £2,896 (2013:£ 3,327) was received from Hertfordshire Chamber of Commerce and Industry.

Notes to the Financial Statements (continued)

31 July 2014

17 Parent Undertaking (continued)

Net Debtor Balances at year end	2014 £	2013 £
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University of Hertfordshire	85,399	-
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Net Creditor Balances at Year End

University of Hertfordshire	42,089	18,751
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Hertfordshire Chamber of Commerce	-	1,501
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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 9A4B.

18 Financial Commitments

At 31 July 2014, the group had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Land and Buildings		
Land and Buildings - Between one and five years	454,400	473,900
Other – Between one and five years	13,280	13,280

Notes to the Financial Statements (continued)

31 July 2014

19 Related Party Disclosures

The company has taken advantage of the exemption within FRS8 and not disclosed transactions with wholly owned subsidiary undertakings which are consolidated within these financial statements.

During the period income of £493,144 (2013: £373,951) was received from Enterprise Growth Solutions Limited.

During the period income of £135,278 (2013: £49,520) was received from and Operating and Admin Costs of £70,364 (2013: £56,785) were charged to the company by BioPark Interactive Limited.

Net Debtor Balances at year end	2014	2013
	£	£
Enterprise Growth Solutions Limited	28,747	27,264
BioPark Interactive Limited	-	1,340,133