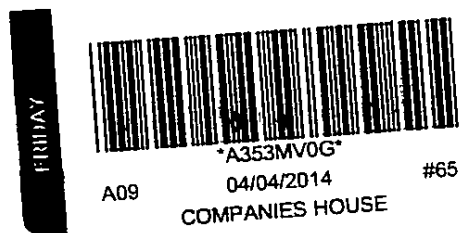


**North-West Wales Management
Development Centre Limited**

Directors' report and financial statements
Registered number 5473157
31st July 2013



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Directors and Advisers for the year ended 31 July 2013

Directors

Prof John Hughes (Chair)
Mr Phil Ryan (until 18/1/13)
Prof John S Thornton
Prof Edward PM Gardener
Prof Sian Hope
Mr David W Williams
Mr Mike Davies

Secretary

Mr Dylan James (from 18/1/13)
Mr Phil Ryan (until 18/1/13)

Registered Office

The Management Centre
College Road
Bangor
LL57 2DG

Auditors

KPMG LLP
St James' Square
Manchester
M2 6DS

Bankers

Barclays Bank plc
PO Box 1275
Bangor Business Centre
273 High Street
Bangor
Gwynedd
LL57 1ZF

Directors' report

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

Principal activities

The principal activities of the company are the provision of residential conferencing facilities both for local businesses and academic purposes and the design, development and delivery of the Chartered Banking MBA as well as delivering post experience executive courses for public and private sector clients, open access management programmes, professional courses leading to Chartered status in management, finance and accounting, personnel management, marketing and others, Continuous Professional Development, and courses in leadership and management for the SME sector

Results and dividends

The loss for the year, after taxation, amounted to £513,834 (2012 (£712,719 loss))

The directors do not recommend the payment of a dividend for the year

Directors and their interests

The directors who held office during the year are listed below

Mr Phil Ryan (until 18/1/13)
Prof John Hughes (Chair)
Prof John Thornton
Prof Edward PM Gardener
Prof Sian Hope
Mr David W Williams
Mr Mike Davies

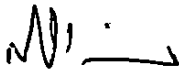
None of the directors had any interests in the shares of the company at any time during the year

Disclosure of information to auditors

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

By order of the board

Mr M Davies
Director



North West Wales Management Development Centre Ltd
College Road
Bangor
Gwynedd
LL57 2DG
18 November 2013

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of North-West Wales Management Development Centre Limited

We have audited the financial statements of North-West Wales Management Development Centre Limited for the year ended 31 July 2013 set out on pages which 6 to 15. 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 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, 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 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/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Michael Rowley (Senior Statutory Auditor)
For and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

25 November 2013

Profit and loss account
for the year ended 31 July 2013

	<i>Notes</i>	2013 £	Restated 2012 £
Turnover		2,847,688	2,897,315
Cost of Sales		(1,479,644)	(1,509,478)
Gross profit		1,368,044	1,387,837
Administration Expenses		(1,623,635)	(1,841,170)
Operating Loss		(255,591)	(453,333)
	2-4		
Interest receivable and similar income		0	0
Interest Paid		(258,243)	(259,386)
Loss on ordinary activities before taxation		(513,834)	(712,719)
Taxation	5	0	0
Loss for the financial year after taxation		(513,834)	(712,719)
Exceptional Item		0	0
Loss for the financial year after taxation & Exceptional Item	14	(513,834)	(712,719)

All operations are continuing

The company has no recognised gains or losses other than those presented above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and its historical cost equivalents

The 2011/12 results have been restated to disclose the costs of sales separately from administration expenses

Balance sheet
At 31 July 2013

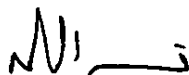
	<i>Note</i>	2013 £	Restated 2012 £
Fixed Assets			
Intangible Assets	6	69,676	115,933
Tangible Assets	7	8,231,227	8,650,696
		<u>8,300,903</u>	<u>8,766,629</u>
Current assets			
Debtors	12	188,370	202,915
Cash at bank and in hand		1,455	77,246
		<u>189,825</u>	<u>280,161</u>
Creditors amounts falling due within one year	8	(1,537,372)	(1,064,574)
Net current (liabilities)/assets		<u>(1,347,547)</u>	<u>(784,413)</u>
Total assets less current liabilities		<u>6,953,356</u>	<u>7,982,216</u>
Creditors amounts falling due after more than one year	9	(6,993,411)	(7,206,457)
Deferred capital grants	11	(6,485,727)	(6,787,707)
Net liabilities		<u>(6,525,782)</u>	<u>(6,011,948)</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	(6,525,783)	(6,011,949)
Equity shareholders' deficit	16	<u>(6,525,782)</u>	<u>(6,011,948)</u>

These financial statements were approved by the board of directors on 18 November 2013 and were signed on its behalf by

E P M Gardener
 Director



Mike Davies
 Director



Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of preparation

As at 31 July 2013 the Company had a deficiency of shareholders' funds of (£6,525,781) (2012 £6,011,948). The parent company has agreed that it will continue to provide adequate financial support to the company to enable it to continue trading for a period of at least 12 months from the signing of these financial statements. The Directors therefore consider that it is appropriate to prepare the accounts on the going concern basis.

Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax) during the year.

Intangible assets

Costs incurred on product development relating to design and development of new or enhanced products are capitalised as intangible assets when it is probable that the development will result in a product which is commercially viable. The expenditure capitalised is direct and external labour costs with all other development costs recognised as an expense as incurred. Capitalised product development expenditure is subject to regular impairment review and is stated at cost less any accumulated impairment losses.

Capitalised product expenditure – straight line basis over 3 years.

The policy has been amended from prior years, in which development expenditure was not amortised in the year of capitalisation.

Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Leasehold Improvements	- straight line basis over 25 years
Equipment	- straight line basis over 5 years

Notes (continued)

Pension costs and other post-retirement benefits

A number of the company's employees are members of University Superannuation Scheme. Contributions payable to the pension scheme are charged to the profit and loss account in the period to which they relate.

Cash flow statement

The company has taken advantage of the exemption permitted by Financial Reporting Standard Number 1 (Revised), whereby a cash flow statement need not be prepared by a small company as defined in the Companies Act 2006, nor where the company is consolidated into a group where financial statements are publicly available.

Grants

Grants received in respect of the leasehold improvements are treated as deferred capital grants and amortised in line with the depreciation life of the assets.

Notes (continued)

2 Operating loss

	2013	Restated 2012
	£	£
Operating loss is stated after charging		
Depreciation charge for the year	438,191	616,324
Amortisation of intangible fixed assets	69,788	65,870
Operating Leases	200,669	202,679
Auditors' remuneration for audit services	<u>6,345</u>	<u>8,395</u>

3 Directors' emoluments

	2013	2012
	£	£
The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were		
Aggregate emoluments	89,400	111,471
	<u>89,400</u>	<u>111,471</u>

4 Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was

	2013 Number	2012 Number
Administration	52	54
	<u>52</u>	<u>54</u>
Staff costs (for the above persons)		
Wages and salaries	1,069,097	1,015,609
Social security costs	73,079	82,379
Other pension costs	7,059	13,058
	<u>1,149,235</u>	<u>1,111,046</u>

Salaries for the year 2013 includes a severance payment to Phil Ryan (Director) of £32,000 and a further £11,000 was paid to other staff

Notes (continued)

5 Taxation

Factors affecting the tax charge for the current period

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(513,833)</u>	<u>(712,719)</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.33% (prior year 28%)	(121,603)	(180,555)
<i>Effects of</i>		
Expenses not deductible for tax purposes	103,701	156,135
Non-taxable income	2,749	2,966
Capital allowances in period in excess of depreciation	(104,030)	(151,170)
Other permanent differences	16	0
Other timing differences	(1,147)	(1,636)
Group relief surrendered	6,365	5,712
Unrelieved tax losses and other deductions arising in the period	113,949	168,548
Current tax charge for period	<u>0</u>	<u>0</u>

The potential deferred tax asset of £920,948 (2012 £943,276) has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable

6 Intangible fixed assets

	2013 £	2012 £
Cost		
At 1 August 2012	287,417	125,448
Additions	23,531	161,969
At 31 July 2013	<u>310,948</u>	<u>287,417</u>
Amortisation		
At 1 August 2012	171,484	105,614
Charge for the year	69,788	65,870
At 31 July 2013	<u>241,272</u>	<u>171,484</u>
Net book value		
At 31 July 2013	<u>69,676</u>	<u>115,933</u>
At 31 July 2012	<u>115,933</u>	<u>19,834</u>

Notes (continued)

7 Tangible fixed assets

	Leasehold Improvements	Equipment	Total
	£	£	£
Cost			
At 1 August 2012	10,964,620	1,245,960	12,210,580
Additions	0	18,721	18,721
At 31 July 2013	<u>10,964,620</u>	<u>1,264,681</u>	<u>12,229,301</u>
Depreciation			
At 1 August 2012	2,485,971	1,073,913	3,559,884
Charge for year	365,697	72,493	438,190
At 31 July 2013	<u>2,851,668</u>	<u>1,146,406</u>	<u>3,998,074</u>
Net book value			
At 31 July 2013	<u>8,112,952</u>	<u>118,275</u>	<u>8,231,227</u>
At 31 July 2012	<u>8,478,649</u>	<u>172,047</u>	<u>8,650,696</u>

8 Creditors: amounts falling due within one year

	2013	Restated 2012
	£	£
Bank Overdraft	87,202	0
Bank Loans	93,709	70,743
Accruals	207,325	139,178
Amounts due to parent undertaking	797,363	445,231
Premium on Lease Revision	137,600	137,600
VAT	52,030	40,955
Deferred Income	99,683	138,635
PAYE	16,011	27,393
Trade Creditors	46,449	64,839
	<u>1,537,372</u>	<u>1,064,574</u>

The 2011/12 creditors have been restated to separately disclose the bank overdraft and bank loans due within 1 year

9 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Premium on Lease Revision	2,889,600	3,027,200
Bank Loans	4,103,811	4,179,257
	<u>6,993,411</u>	<u>7,206,457</u>

Notes (continued)

During 2010/11 the North West Wales Management Development Centre Limited entered into an arrangement with Bangor University to vary the terms of the lease on certain premises occupied by the company. The variation required a payment of £3,440,000 to be made by Bangor University to the company, and this receipt is credited to the Profit and Loss Account on a straight line basis over the remaining term of the lease

10 Loans and other borrowings

	2013 £	Restated 2012 £
Bank Loans	4,197,520	4,250,000
	<u>4,197,520</u>	<u>4,250,000</u>
Maturity of debt		
Due in one year or less	93,709	70,743
Due between one and two years	171,373	75,447
Due between three and five years	1,188,348	1,076,042
Due after five years	2,744,090	3,027,768
	<u>4,197,520</u>	<u>4,250,000</u>

Mortgages secured on the property and comprises two elements, consisting of £3,197,520 on a fixed interest rate of 7.215% and £1,000,000 on a variable interest rate linked to LIBOR

11 Deferred capital grants

	Leasehold Improvements £	Equipment £	Total £
At 1 August 2012	6,780,535	7,172	6,787,707
Cash received	0	0	0
Released to profit and loss account	294,808	7,172	301,980
At 31 July 2013	<u>6,485,727</u>	<u>0</u>	<u>6,485,727</u>

12 Debtors

	2013 £	2012 £
Debtors	138,192	142,711
Amounts due from parent undertaking	34,594	54,746
Prepayment	3,531	4,480
Accrued Income	12,053	978
	<u>188,370</u>	<u>202,915</u>

Notes (continued)

13 Called up share capital

	2013 £	2012 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

14 Profit and loss account

	2013 £	2012 £
At 1 August 2012	(6,011,949)	(5,299,230)
Loss for the financial year	(513,834)	(712,719)
At 31 July 2013	<u><u>(6,525,783)</u></u>	<u><u>(6,011,949)</u></u>

14 Pension commitments

A number of the company's employees are members of University Superannuation Scheme. The assets of the scheme are held separately from those of the company in independently administered funds. Payments made to this scheme during the financial year amount to £7,059 (2012: £19,025).

The scheme is treated as a defined contribution scheme for the purposes of FRS 17 – Retirement Benefits, as the company is unable to identify its share of the underlying assets and liabilities.

15 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	(6,011,946)	(5,299,228)
Share capital	1	1
Loss for the financial year	(513,833)	(712,719)
Closing shareholders' deficit	<u><u>(6,525,778)</u></u>	<u><u>(6,011,946)</u></u>

16 Financial Commitments under Operating Leases

	2013 £	2012 £
Land & buildings		
Expiring in less than five years	0	0
Expiring in over five years	200,000	200,000
Other		
Expiring within one year	0	669
Expiring between two and five years inclusive	0	0
	<u><u>200,000</u></u>	<u><u>200,669</u></u>

Notes (continued)

17 Capital commitments

Leasehold Improvements - Authorised and contracted out at 31st July 2013 £0 (2012 £0)

18 Ultimate holding company

The company is wholly owned by Bangor University, a corporation incorporated by Royal Charter. Copies of the parent's consolidated financial statements may be obtained from the Registrar's Office, Bangor University, College Road, Bangor, Gwynedd, LL57 2DG. As a wholly owned subsidiary, and as permitted by Financial Reporting Standard 8, the company has taken an exemption not to provide further disclosure about transactions with its parent.

There were no other related party transactions during the year.