

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

Annual report and financial statements

Registered number 5473157

31 July 2020



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## **Directors and advisors for the year ended 31 July 2020**

### **Directors**

Prof Sian Hope (Chair) (resigned 31 December 2020)  
Mr Mike Davies (resigned 27 May 2020)  
Prof Jonathan M Williams (resigned 5 February 2020)  
Dr Kevin Mundy (appointed 27 May 2020)  
Prof Andrew Edwards (appointed 27 May 2020)

### **Secretary**

Mr Carl Shipton

### **Registered Office**

The Management Centre  
College Road  
Bangor  
LL57 2DG

### **Auditor**

KPMG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

### **Solicitor**

Weightmans LLP  
100 Old Hall Street  
Liverpool  
L32 9QJ

### **Banker**

Santander Bank plc  
236 High Street  
Bangor  
Gwynedd  
LL57 1PA

## Strategic report

The directors present their strategic report for the company for the year ended 31 July 2020.

### Review of the business

The company is a wholly owned subsidiary of Bangor University. The principal activities of the company are:

- to provide the venue, support and facilitation of the design and delivery by the University, its strategic partners and local organisations of: certified courses for management professionals; post experience executive courses for public and private sector clients; open access management programmes; professional courses in management, finance and accounting, personnel management, marketing and others; Continuous Professional Development; and courses in leadership and management for the SME sector. In this context, the Management Centre also provides residential conferencing facilities both for regional and national business, professional and academic institutions; and
- to manage and deliver on behalf of the University, Bangor Business School and the Chartered Banker Institute the blended-delivery (Chartered Banker MBA) CBMBA programme and its derivatives for banking and financial services professionals worldwide.

### Results and performance

Due to the COVID-19 pandemic the venue closed on 23 March 2020, reopened on 4 September 2020 until 10 October 2020 before closing again. Whilst the venue ceased much of its trading, the CBMBA programme continued to deliver the programme to students online. The results of the company for the year, as set out on pages 8 and 9, show a loss on ordinary activities after tax of £338,839 (2019 loss: £142,715). The company closed the year with net liabilities of £1,534,299 (2019: £1,195,460) and continues to receive a guarantee of support from Bangor University.

### Going concern

The ongoing uncertainties of the COVID-19 pandemic particularly on the venue's ability to trade have continued into the new financial year. The company has maximised the use of the HM Government's Job Retention Scheme throughout in order to retain its staff until such a time as the business can resume hospitality trading. Whilst at the same time staff have worked from home to support the business and continued delivery of the CBMBA programme.

### Business environment

The company operates in both a regional and internationally competitive marketplace and works closely with both Bangor University and other partners on a national and international basis, to both develop and market its facilities and courses to ensure that targeted growth is achieved. The overall global impact of the pandemic is still unknown.

### Key performance indicators

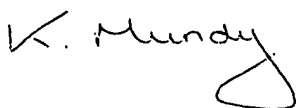
The Board is focused on the company achieving the targets set out in the five-year financial plan for both of its two main business areas (the venue and the CBMBA programme). The main scalable growth for the company is in the CBMBA market, and the company operates a business model across both of its business areas to achieve this growth. The Board closely monitors the progress of the company on a quarterly basis by reference to both profitability and operating cash flows.

### Principal risks and uncertainties

The principal risks facing the company are:

- Competition in the market for professional training courses and conferencing facilities.
- Sustaining and growing business profitability and protecting the cash base.
- The impact of the pandemic on customer confidence in the venue for training courses, conferencing, accommodation and hospitality facilities within HM Government guidelines and ever-changing regulations.
- The impact of the pandemic on international students and their ability to continue with the CBMBA programme.

By order of the board  
**Dr Kevin Mundy**  
Director



Bangor, Wales  
22 February 2021

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 July 2020.

### Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through funding from its immediate parent Bangor University, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Bangor University providing additional financial support during that period. Bangor University has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Results and dividends

The loss for the year, after taxation, amounted to £338,839 (2019 loss: £142,715).

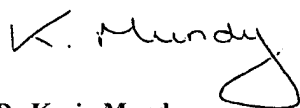
### Directors and their interests

The directors of the Company who held office during the year are listed on page 1. None of the directors had any interests in the shares of the Company at 31 July 2020 or at any time during that period.

### 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 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



**Dr Kevin Mundy**

Director  
The Management Centre  
College Road  
Bangor  
LL57 2DG

Bangor, Wales  
22 February 2021

## **Statement of directors' responsibilities in respect of the strategic report, the director's report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH WEST WALES MANAGEMENT DEVELOPMENT CENTRE LIMITED**

## **Opinion**

We have audited the financial statements of North West Wales Management Development Centre Limited ("the company") for the year ended 31 July 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **Strategic and Directors' report**

The directors are responsible for the strategic and directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the strategic and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic and directors' reports;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- a adequate accounting records have not been kept, or returns a adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in a agreement with the a 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; or
- the directors were not entitled to prepare the financial statements in a accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Timothy Cutler (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 1 St Peters Square  
 Manchester  
 M2 3AE

25 February 2021

**Profit and loss account**  
*For the year ended 31 July 2020*

|   | <i>Note</i> | <b>2020</b>             | 2019                    |
|---|-------------|-------------------------|-------------------------|
|   |             | £                       | £                       |
| <b>Turnover</b>   | 2           | 2,699,688               | 3,258,966               |
| Cost of sales   |             | (1,309,194)             | (1,614,378)             |
| <b>Gross profit</b>   |             | <u>1,390,494</u>        | <u>1,644,588</u>        |
| Administrative expenses                                     |             | (1,581,892)             | (1,670,357)             |
| <b>Operating profit/(loss)</b>                              |             | <u>(191,398)</u>        | <u>(25,769)</u>         |
| Interest receivable and similar income                      |             | 731                     | 607                     |
| Interest payable and similar charges                        | 6           | (148,172)               | (117,553)               |
| <b>Profit/(loss) on ordinary activities before taxation</b> |             | <u>(338,839)</u>        | <u>(142,715)</u>        |
| Taxation  | 7           | 0                       | 0                       |
| <b>Profit/(loss) for the financial year</b>                 | 14          | <u><u>(338,839)</u></u> | <u><u>(142,715)</u></u> |

All operations are continuing.

The company has no recognised profits and losses other than those presented above and therefore no other comprehensive income statement has been presented.

## Balance sheet

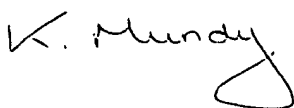
At 31 July 2020

|  | Note | 2020<br>£          | 2019<br>Restated*<br>£ |
|--|------|--------------------|------------------------|
| <b>Fixed assets</b>  |      |                    |                        |
| Intangible assets  | 8    | 22,187             | 33,923                 |
| Tangible assets  | 9    | 5,630,385          | 5,962,931              |
|  |      | <u>5,652,572</u>   | <u>5,996,854</u>       |
| <b>Current assets</b>  |      |                    |                        |
| Stocks   |      | 4,305              | 7,648                  |
| Debtors  | 10   | 248,369            | 316,278                |
| Cash at bank and in hand                                       |      | 390,360            | 300,821                |
|  |      | <u>643,034</u>     | <u>624,747</u>         |
| <b>Creditors: amounts falling due within one year</b>          | 11   | <u>(4,126,706)</u> | <u>(3,843,311)</u>     |
| <b>Net current liabilities</b>                                 |      | <u>(3,483,672)</u> | <u>(3,218,564)</u>     |
| <b>Total assets less current liabilities</b>                   |      | <u>2,168,900</u>   | <u>2,778,290</u>       |
| <b>Creditors: amounts falling due after more than one year</b> | 12   | <u>(3,703,199)</u> | <u>(3,973,750)</u>     |
| <b>Net liabilities</b>   |      | <u>(1,534,299)</u> | <u>(1,195,460)</u>     |
| <b>Capital and reserves</b>                                    |      |                    |                        |
| Called up share capital  | 13   | 1                  | 1                      |
| Profit and loss account  | 14   | <u>(1,534,300)</u> | <u>(1,195,461)</u>     |
| <b>Shareholders' deficit</b>                                   | 15   | <u>(1,534,299)</u> | <u>(1,195,460)</u>     |

\*Refer to Note 20 for prior period adjustment.

These financial statements were approved by the board of directors on 22 February 2021 and were signed on its behalf by:

**Dr Kevin Mundy**  
Director



**Professor Andrew Edwards**  
Director



## Statement of changes in equity

|                                | Called up Share capital | Profit and loss account | Total equity       |
|--------------------------------|-------------------------|-------------------------|--------------------|
|                                | £                       | £                       | £                  |
| Balance at 1 August 2018       | 1                       | (1,052,746)             | (1,052,745)        |
| Profit and loss account        |                         | (142,715)               | (142,715)          |
|                                | <hr/>                   | <hr/>                   | <hr/>              |
| <b>Balance at 31 July 2019</b> | <b>1</b>                | <b>(1,195,461)</b>      | <b>(1,195,460)</b> |
|                                | <hr/>                   | <hr/>                   | <hr/>              |
|                                | Called up Share capital | Profit and loss account | Total equity       |
|                                | £                       | £                       | £                  |
| Balance at 1 August 2019       | 1                       | (1,195,461)             | (1,195,460)        |
| Profit and loss account        |                         | (338,839)               | (338,839)          |
|                                | <hr/>                   | <hr/>                   | <hr/>              |
| <b>Balance at 31 July 2020</b> | <b>1</b>                | <b>(1,534,300)</b>      | <b>(1,534,299)</b> |
|                                | <hr/>                   | <hr/>                   | <hr/>              |

## Notes

*(Forming part of the financial statements)*

### 1 Accounting policies

North-West Wales Management Development Centre is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK (FRS 102) as issued in August 2014.

In these financial statements, North West Wales Development Centre Limited is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the disclosures for:

- the Cash Flow Statement and related notes; and
- key management personnel compensation

As the consolidated financial statements of Bangor University include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- the disclosures required by FRS 102.11 Basic Financial Instruments

#### *Accounting convention*

The financial statements are prepared under the historical cost basis convention and in accordance with applicable Accounting standards in the United Kingdom.

A summary of the more important accounting policies is set out below.

#### *Critical accounting estimates and judgements*

There are no critical accounting estimates and judgements other than relating to the bad debt provision. The recoverability of all debtor balances is reviewed and assessed, and a provision is made in respect of debtors whose recoverability is, in the view of the Company, doubtful. Changes in the bad debt provision are recognised in the Profit and Loss Account. Debtors are recorded in the balance sheet net of the bad debt provision. Where, in the Company's judgement, there is no possibility of the debtor being recovered, the debtor balance is written off, with a corresponding reduction to the bad debt provision.

#### *Going concern*

Notwithstanding net current liabilities of £3,483,672 as at 31 July 2020 and a loss for the year then ended of £338,839 and net cash inflows for the year of £89,539, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its existing cash balances and funding from its immediate parent, Bangor University, to meet its liabilities as they fall due for that period. Those forecasts are dependent on Bangor University not seeking repayment of the amounts currently due to the group short term creditors, which at 31 July 2020 amounted to £3,387,187, and providing additional financial support during that period. Bangor University has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

## Notes (continued)

### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- buildings 25 years
- plant and equipment 5 years

The policy was amended in 2010/11 when the useful life was expected to be over 25 years (50 years previously), this is due to an agreement reached with the University. The remaining useful life is currently 15 years.

### *Intangible assets*

#### *Development costs*

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.

### *Stocks*

Stocks are valued at the lower of cost and net realisable value, after making allowances for obsolete, slow moving, and defective stocks

### *Financial Instruments*

The company has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments.

Financial assets and liabilities are recognised when the company becomes party to the contractual provision of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *Financial assets*

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Trade and other debtors are recognised initially at transaction price plus attributable transactions costs.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

#### *Financial liabilities*

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

## **Notes (continued)**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price less attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

### ***Turnover***

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

Income from the sale of goods or services is credited to the Profit and Loss Account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Professional training fee income is stated gross of any expenditure which is not a discount and credited to the Profit and Loss Account over the period in which students are studying on a straight-line basis. Where the amount of the fee is reduced, for example, by way of a discount for prompt payment or other form of waiver, income receivable is shown net of such reductions. Student deposits to guarantee their place on the course are recognised immediately.

Income from facilities, accommodation and catering activities is credited to the Profit and Loss Account when the company becomes entitled to the income and represents the amount receivable for goods supplied or services rendered at the point of delivery.

### ***Cash flow statement***

The company has taken advantage of the disclosure exemption under FRS 102 for a qualifying entity.

### ***Pension costs and other post-retirement benefits***

A large number of the company's employees are members of National Employment Savings Trust Pension Scheme. Contributions payable to the pension scheme are charged to the profit and loss account in the period to which they relate.

One staff member is a member of the University Superannuation Scheme. The company is a separate member of this scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

### ***Operating lease***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

## **Notes (continued)**

### **2 Turnover**

|  | 2020             | 2019             |
|--|------------------|------------------|
|  | £                | £                |
| Rendering of services                  | 2,699,688        | 3,258,966        |
| Total turnover                         | <u>2,699,688</u> | <u>3,258,966</u> |
| Turnover by activity                   |                  |                  |
| Professional training                  | 1,078,445        | 1,100,328        |
| Facilities, accommodation and catering | 1,621,243        | 2,158,638        |
| Total turnover                         | <u>2,699,688</u> | <u>3,258,966</u> |
| By geographical market                 |                  |                  |
| Overseas and rest of world             | 1,024,523        | 990,295          |
| United Kingdom                         | 1,675,165        | 2,268,671        |
| Total turnover                         | <u>2,699,688</u> | <u>3,258,966</u> |

## Notes (continued)

### 3 Expenses and auditor's remuneration

Included in profit/loss are the following:

|   | 2020          | 2019          |
|---|---------------|---------------|
|   | £             | £             |
| Amounts receivable by the company's auditors in respect of: |               |               |
| Audit of financial statements                               | 12,600        | 10,740        |
| Taxation compliance services                                | 2,592         | 2,592         |
|   | <u>15,192</u> | <u>13,332</u> |

### 4 Staff numbers and costs

The average FTE number of persons employed by the company (including directors) during the year was as follows:

|                | 2020      | 2019      |
|----------------|-----------|-----------|
| Administration | 50        | 59        |
|                | <u>50</u> | <u>59</u> |

The aggregate payroll costs of these persons were as follows:

|                       | 2020             | 2019             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,066,830        | 1,246,446        |
| Social security costs | 85,755           | 96,475           |
| Other pension costs   | 33,539           | 32,798           |
|                       | <u>1,186,124</u> | <u>1,375,719</u> |

### 5 Directors' remuneration

|   | 2020         | 2019         |
|---|--------------|--------------|
|   | £            | £            |
| The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were: |              |              |
| Aggregate emoluments  | 5,195        | 4,111        |
|   | <u>5,195</u> | <u>4,111</u> |

There was one director paid by the company for services as a director and the highest paid director received directors' emoluments of £5,195 (2019: £4,111).

## Notes (continued)

### 6 Interest payable and similar charges

|  | 2020           | 2019           |
|--|----------------|----------------|
|  | £              | £              |
| Interest payable on bank loans         | 0              | 43,941         |
| Interest payable to parent undertaking | 148,172        | 73,612         |
|  | <u>148,172</u> | <u>117,553</u> |

### 7 Taxation

Factors affecting the tax charge for the current period

|   | 2020      | 2019      |
|---|-----------|-----------|
|   | £         | £         |
| Profit / (loss) on ordinary activities before tax   | (338,839) | (142,715) |
| Tax on profit / (loss) on ordinary activities at standard rate of corporation tax in the UK of 19.00% (prior year 19.00%) | (64,379)  | (27,116)  |
| <i>Effects of:</i>  |           |           |
| Fixed asset differences   | 72,299    | 70,036    |
| Expenses not deductible for tax purposes  | 35        | 66        |
| Income not taxable for tax purposes   | (26,144)  | (26,144)  |
| Group relief surrendered/(claimed)  | (0)       | (80)      |
| Deferred tax not recognised   | 18,189    | (16,762)  |
| Current tax charge for period   | <u>0</u>  | <u>0</u>  |

The potential deferred tax asset of £808,687 (2019: £711,403) has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable.

**Notes** *(continued)*

**8 Intangible assets**

|                        | Development<br>Costs<br>£ | Totals<br>£    |
|------------------------|---------------------------|----------------|
| <b>COST</b>            |                           |                |
| At 1 August 2019       | 439,379                   | 439,379        |
| Additions              | 10,640                    | 10,640         |
| <b>At 31 July 2020</b> | <b>450,019</b>            | <b>450,019</b> |
| <b>DEPRECIATION</b>    |                           |                |
| At 1 August 2019       | 405,456                   | 405,456        |
| Charge for year        | 22,376                    | 22,376         |
| <b>At 31 July 2020</b> | <b>427,832</b>            | <b>427,832</b> |
| <b>NET BOOK VALUE</b>  |                           |                |
| <b>At 31 July 2020</b> | <b>22,187</b>             | <b>22,187</b>  |
| At 31 July 2019        | 33,923                    | 33,923         |

*Amortisation and impairment charge*

The amortisation charge is recognised in the following line items in the profit and loss account:

|               | 2020<br>£     | 2019<br>£     |
|---------------|---------------|---------------|
| Cost of sales | 22,376        | 28,100        |
|               | <b>22,376</b> | <b>28,100</b> |

## Notes (continued)

### 9 Tangible fixed assets

|                        | Leasehold<br>Improvements<br>£ | Equipment<br>£   | Totals<br>£       |
|------------------------|--------------------------------|------------------|-------------------|
| <b>COST</b>            |                                |                  |                   |
| At 1 August 2019       | 11,021,227                     | 1,430,755        | 12,451,982        |
| Additions              | 15,678                         | 39,017           | 54,695            |
| <b>At 31 July 2020</b> | <b>11,036,905</b>              | <b>1,469,772</b> | <b>12,506,677</b> |
| <b>DEPRECIATION</b>    |                                |                  |                   |
| At 1 August 2019       | 5,080,912                      | 1,408,139        | 6,489,051         |
| Charge for year        | 372,250                        | 14,991           | 387,241           |
| <b>At 31 July 2020</b> | <b>5,453,162</b>               | <b>1,423,130</b> | <b>6,876,292</b>  |
| <b>NET BOOK VALUE</b>  |                                |                  |                   |
| <b>At 31 July 2020</b> | <b>5,583,743</b>               | <b>46,642</b>    | <b>5,630,385</b>  |
| At 31 July 2019        | 5,940,315                      | 22,616           | 5,962,931         |

### 10 Debtors

|                                    | 2020<br>£      | 2019<br>Restated<br>£ |
|------------------------------------|----------------|-----------------------|
| Trade debtors                      | 143,614        | 192,892               |
| Amounts owed by group undertakings | 0              | 22,021                |
| Prepayments                        | 53,192         | 38,831                |
| Accrued income                     | 0              | 8,315                 |
| Other debtors                      | 51,563         | 54,219                |
|                                    | <b>248,369</b> | <b>316,278</b>        |

## Notes (continued)

### 11 Creditors: amounts falling due within one year

|   | 2020             | 2019             |
|---|------------------|------------------|
|   | £                | Restated<br>£    |
| Trade creditors                                     | 17,441           | 54,691           |
| Amounts owed to parent undertaking                  | 3,387,187        | 3,056,630        |
| Premium on lease revision due to parent undertaking | 137,600          | 137,600          |
| Taxation and social security                        | 22,184           | 20,791           |
| Other creditors                                     | 7,954            | 68,144           |
| Accruals  | 206,896          | 233,613          |
| Deferred income                                     | 347,444          | 271,842          |
|   | <u>4,126,706</u> | <u>3,843,311</u> |

### 12 Creditors: amounts falling after more than one year

|   | 2020             | 2019             |
|---|------------------|------------------|
|   | £                | Restated<br>£    |
| Amounts owed to parent undertaking                  | 1,737,617        | 1,888,622        |
| Premium on lease revision due to parent undertaking | 1,926,400        | 2,064,000        |
| Deferred income                                     | 39,182           | 21,128           |
|   | <u>3,703,199</u> | <u>3,973,750</u> |

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 of £137,600 per annum over the remaining term of the lease.

On 4 July 2019 Bangor University repaid in full the Barclays loan balance of £2,190,631 on behalf of the North West Management Development Centre Limited. The loan was being repaid to Bangor University at the same rate as agreed at the Board Meeting on 30 September 2019, however, due to the COVID-19 pandemic and closure of the venue from March 2020, three quarterly repayments have been deferred to support operating cash flows, loan repayments resumed on 22 December 2020..

**Notes** *(continued)*

**13 Capital and reserves**

|   | 2020              | 2019              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Authorised</b>                         |                   |                   |
| 100 ordinary shares of £1 each            | 100               | 100               |
|   | <u>          </u> | <u>          </u> |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 1 ordinary shares of £1 each              | 1                 | 1                 |
|   | <u>          </u> | <u>          </u> |

**14 Profit and loss account**

|                             | 2020               | 2019               |
|-----------------------------|--------------------|--------------------|
|                             | £                  | £                  |
| At 1 August 2019            | (1,195,461)        | (1,052,746)        |
| Loss for the financial year | (338,839)          | (142,715)          |
|                             | <u>          </u>  | <u>          </u>  |
| <b>At 31 July 2020</b>      | <b>(1,534,300)</b> | <b>(1,195,461)</b> |
|                             | <u>          </u>  | <u>          </u>  |

**Notes** *(continued)*

**15 Reconciliation of movement in shareholder's deficit**

|                             | 2020               | 2019               |
|-----------------------------|--------------------|--------------------|
|                             | £                  | £                  |
| At 1 August 2019            | (1,195,460)        | (1,052,745)        |
| Loss for the financial year | (338,839)          | (142,715)          |
|                             | <hr/>              | <hr/>              |
| <b>At 31 July 2020</b>      | <b>(1,534,299)</b> | <b>(1,195,460)</b> |
|                             | <hr/>              | <hr/>              |

**16 Financial commitments**

Operating lease rentals are payable as follows:

|                            | 2020             | 2019             |
|----------------------------|------------------|------------------|
|                            | £                | £                |
| Less than one year         | 220,000          | 220,000          |
| Between one and five years | 960,000          | 940,000          |
| More than five years       | 2,870,000        | 3,110,000        |
|                            | <hr/>            | <hr/>            |
|                            | <b>4,050,000</b> | <b>4,270,000</b> |
|                            | <hr/>            | <hr/>            |

During the year £220,000 was recognised as an expense in the profit and loss account in respect of operating leases.

**17 Capital commitments**

There were no capital commitments outstanding at the year-end.

**18 Related parties**

There are no related party transactions to report at the year-end.

**19 Ultimate parent company**

The company is wholly owned by Bangor University, a Registered Charity (charity number 1441565). Copies of the parents' consolidated financial statements may be obtained from the Finance Office, Bangor University, College Road, Bangor, Gwynedd, LL57 2DG.

## Notes (continued)

### 20 Prior period adjustment

Historically the company has disclosed and recognised all Chartered Banker MBA programme debtors in full when students are invoiced in advance for the programme. However, as the company has no unconditional right to cash as at date of invoice, the debtor position as at 31 July 2019 has been adjusted to recognise the amount receivable based on the proportion of the programme studied to which an unconditional legal right to cash exists. Similarly, the company has historically recognised all deferred income in full based on student invoicing, however, this has also been adjusted based on actual cash received at 31 July 2019 relating to the portion of the programme not yet delivered. The adjustment has no impact on the profit and loss account for the year ended 31 July 2018 or retained earnings as at 1 August 2018. A reconciliation of the prior year adjustment is shown below:

#### Restatement of Debtors and Creditors at 31 July 2019

|  | As previously<br>reported | Adjustment       | As restated      |
|--|---------------------------|------------------|------------------|
|  | £                         | £                | £                |
| Trade debtors  | 765,625                   | (572,733)        | 192,892          |
| <b>Total Debtors (see Note 10)</b>   | <b>889,011</b>            | <b>(572,733)</b> | <b>316,278</b>   |
| Deferred income  | 674,531                   | (402,689)        | 271,842          |
| <b>Total Creditors: amounts falling due within<br/>one year (see Note 11)</b>          | <b>4,246,000</b>          | <b>(402,689)</b> | <b>3,843,311</b> |
| Deferred income  | 191,171                   | (170,043)        | 21,128           |
| <b>Total Creditors: amounts falling due after<br/>more than one year (see Note 12)</b> | <b>4,143,793</b>          | <b>(170,043)</b> | <b>3,973,750</b> |