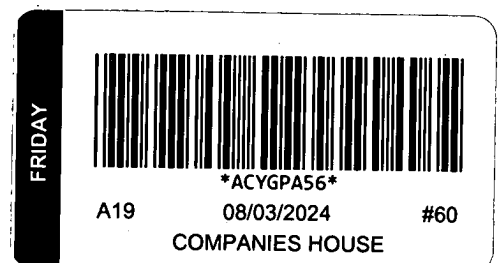


**CARDIFF METROPOLITAN EDUCATION SERVICES (BEIJING) LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2023**

UK Company Registration 08846736



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**Cardiff Metropolitan Education Services (Beijing) Ltd**  
**Company registration number 08846736**

**Directors and advisers**

**Directors**

Professor C Carmichael Aitchison MA(Hons),  
PgDRLP, CertEd, MA, PhD, FAcSS, FRGS,  
FHEA

Professor R Langford BA, MA, PhD

S D J Llewellyn, BSc (Econ), CPFA

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and  
Statutory Auditors  
One Kingsway, Cardiff  
CF10 3PW

**Company secretary**

H Crotty, BSc (Econ), CPFA, PGCE

**Solicitors**

Blake Morgan LLP  
One Central Square  
Cardiff  
CF10 1FS

**Bankers**

National Westminster Bank plc  
96 Queen Street  
Cardiff  
CF10 2GR

**Registered office**

Cardiff Metropolitan University  
Central Management  
Llandaff Campus  
Western Avenue  
Cardiff  
CF5 2YB

**Directors' report for the year ended 31 July 2023**

The directors have pleasure in submitting Cardiff Metropolitan Education Services (Beijing) Ltd's annual report, together with the audited financial statements of the company for the year ended 31 July 2023. The company is entitled to, and has adopted, certain exemptions in relation to disclosure requirements regarding a business review in accordance with the provisions applicable to companies subject to the small companies regime.

**Principal activities**

Cardiff Metropolitan Education Services (Beijing) Ltd ("CMES(B) Ltd"), is the UK registered holding company for Cardiff Metropolitan Education Consulting Services (Beijing) Ltd. CMES(B) Ltd is a wholly owned subsidiary of Cardiff Metropolitan University.

Cardiff Metropolitan Education Consulting Service (Beijing) Ltd, is incorporated under Chinese law as a wholly foreign owned entity (WFOE). The principal activities of the company are to develop strategic partnerships with Chinese institutions for student recruitment, joint research, staff and student exchange and joint programmes. It provides the University's Chinese students, parents, agents and sponsors with professional help and advice. There are no changes to the company's activities anticipated for the foreseeable future.

**Review of business and future developments**

The Company achieved a profit of £13,683 (2022: £10,155). This is in line with the financial projections for the year and is considered satisfactory. It is anticipated that the company's principal activity will remain similar in the short term.

**Result**

The Company achieved an operating profit of £13,683 (2022: £10,155) for the financial year.

**Directors**

The directors of the company who were in office during the year and up to the date of signing of the financial statements, unless otherwise stated, are named on page 1.

**Employment**

The company maintained no directly employed staff in either the current or prior year.

**Credit risk**

The company has implemented policies and procedures that require appropriate credit checks on potential customers before sales are made. The amounts presented in the balance sheet are net of allowances for doubtful debt.

**Liquidity risk**

The company's liquidity position is managed by the parent company to ensure the company has sufficient funds for operations.

**Exchange rate fluctuations**

The company trades internationally and is aware that it may be at risk of exchange rate fluctuations. In the light of the current economic climate exchange rates between the UK and China are closely monitored.

**Directors' Report for the year ended 31 July 2023 (continued)**

**Statement of directors' responsibilities**

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

**Statement of provision of information to auditors**

In accordance with the Companies Act 2006, each director confirms, at the date of the Directors' Report, that:

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

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Approved by the Board and signed by its order by



**H Crotty**  
Company Secretary  
11 December 2023

# Independent auditors' report to the members of Cardiff Metropolitan Education Services (Beijing) Ltd

## Report on the audit of the financial statements

### Opinion

In our opinion, Cardiff Metropolitan Education Services (Beijing) Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2023; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 July 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate accounting entries designed to overstate the financial performance and/or position of the company. Audit procedures performed by the engagement team included:

- Inquiry of management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, with a particular focus on those having unusual account combinations;
- Obtaining third party confirmations directly from the Company's bankers.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
11 December 2023



**Statement of Comprehensive Income  
for the year ended 31 July 2023**

Registered number: 08846736

	Note	2023 £	2022 £
<b>Continuing operations</b>			
Turnover	2	209,241	217,541
Operating expenses		<u>(195,558)</u>	<u>(207,386)</u>
<b>Operating profit</b>	3	13,683	10,155
Profit before tax		13,683	10,155
Tax on profit		-	-
<b>Profit for the financial year</b>		<u>13,683</u>	<u>10,155</u>

All results derive from continuing operations.

**Statement of Changes in Equity**

	Share Capital £	Profit and Loss Account £	Total £
<b>Balance at 1 August 2021</b>	2	17,187	17,189
Profit for the year	-	10,155	10,155
Gift aid paid	-	(17,186)	(17,186)
<b>Balance at 31 July 2022</b>	<u>2</u>	<u>10,156</u>	<u>10,158</u>
Profit for the year	-	13,683	13,683
Gift aid paid	-	(10,155)	(10,155)
<b>Balance at 31 July 2023</b>	<u>2</u>	<u>13,683</u>	<u>13,685</u>

**Cardiff Metropolitan Education Services (Beijing) Ltd**  
**Company registration number 08846736**

**Balance Sheet**  
**as at 31 July 2023**

**Registered number: 08846736**

	Note	2023 £	2022 £
<b>Current assets</b>			
Debtors	5	30,853	33,296
Cash at bank and in hand		61,251	57,399
		<u>92,104</u>	<u>90,695</u>
<b>Creditors: amounts falling due within one year</b>	6	(78,419)	(80,537)
<b>Net current assets</b>		<u>13,685</u>	<u>10,158</u>
<b>Net assets</b>		<u><u>13,685</u></u>	<u><u>10,158</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		13,683	10,156
<b>Total shareholders' funds</b>		<u><u>13,685</u></u>	<u><u>10,158</u></u>

The financial statements on pages 9 to 10 were approved by the board of directors on 29 November 2023 and were signed on its behalf by:



**David Llewellyn**  
**Company Director**  
**11 December 2023**

**Notes to the financial statements**  
**for the year ended 31 July 2023**

**1 Principal accounting policies**

The financial statements have been prepared on the going concern basis in compliance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the Companies Act 2006. The principal accounting policies, which have been applied consistently throughout the year, are set out below. With regard to financial instruments, CMES(B) Ltd has applied Section 11 and 12 of FRS102. The financial statements have been prepared using the historic cost convention basis.

**Consolidation**

The company has taken advantage of the exemption under FRS102, paragraph 9.3(a), from preparing consolidated financial statements as it is itself a wholly owned subsidiary of Cardiff Metropolitan University.

**Turnover**

Turnover represents the reimbursement of the costs charged by CMES(B) Ltd, plus a 10% mark up.

**Investments in subsidiaries**

Investments in subsidiaries are recorded at cost and reviewed annually for impairment.

**Cash flows**

The company has taken advantage of the exemption under FRS 102, paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent, Cardiff Metropolitan University, includes the company's cash flows in its own consolidated financial statements.

**Taxation**

No charge for taxation has been included in respect of the activities of the company since the entire taxable profit of the company is transferred to the parent company under the Gift Aid scheme, so there was no tax payable by CMES(B) Ltd. As an expected gift aid payment is accounted for as a distribution to owners, FRS 102 does not allow these payments to be recognised as a liability at the end of the reporting period unless there is a legal obligation to make the payment (typically through a deed of covenant) at the reporting date. Therefore, a constructive obligation or history of payment will not be sufficient to recognise the liability.

FRS 102 section 29 allows the tax effects of a distribution by a subsidiary to its charitable parent to be recognised in the reporting period, so the accounting is consistent with the tax treatment planned to be used in the entity's tax filings. This applies where it is probable that the gift aid payment will be made within nine months of the reporting date and the payment will qualify to be set against profits for tax purposes. The gift aid payment made in 2023 (for 2022) was £10k (2022: £17k).

For 2023 there was no tax payable due to the previously mentioned Gift Aid scheme.

**Critical accounting judgements and estimation uncertainty**

There have been no accounting judgements or estimations used for the year 2023 (2022: none).

**Notes to the financial statements  
for the year ended 31 July 2023 (continued)**

**2 Turnover**

Turnover consists entirely of sales made from the Subsidiary to Cardiff Metropolitan University.

**3 Operating profit**

Operating profit is stated after charging audit fees of £4,500 (2022: £4,000).

**4 Employee information and directors – remuneration**

The company does not employ any staff under contracts of service (2022: none). No director received any remuneration in respect of their services as a director of the company (2022: none). Administrative support is provided by the University and no costs are recharged to the company.

<b>5 Debtors</b>	<b>2023 £</b>	<b>2022 £</b>
Prepayments and accrued income	<u>30,853</u>	<u>33,296</u>
<b>6 Creditors: amounts falling due within one year</b>	<b>2023 £</b>	<b>2022 £</b>
Amounts owed to group undertakings	31,005	26,205
Taxation and social security	8,800	14,333
Accruals and Deferred Income	<u>38,614</u>	<u>39,999</u>
	<u>78,419</u>	<u>80,537</u>

The amounts owed to group undertakings is interest free, unsecured and repayable on demand.

**7 Subsidiary undertakings**

The following was a directly held subsidiary undertaking of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Cardiff Metropolitan Education Consulting Services (Beijing)	Ordinary	100%	Student recruitment and to develop strategic partnerships with Chinese institutions

**Registered office**

A602, No. 4 Guanghua Road, CBD, Beijing, China, 100026

**Notes to the financial statements  
for the year ended 31 July 2023 (continued)**

8	Called up share capital	2023 £	2022 £
	<b>Authorised</b>		
	100 (2022: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<b>Allotted and fully paid</b>		
	2 (2022: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

**9 Immediate and ultimate controlling party**

The whole of the beneficial interest in the share capital of the company is held by Cardiff Metropolitan University, a body incorporated as a result of the Education (Higher Education Corporations) (Wales) Order 1991. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Cardiff Metropolitan University, Central Management, Llandaff Campus, Western Avenue, Cardiff, CF5 2YB. That is the largest and smallest group in which the results of the company are consolidated.

**10 Related party transactions**

In accordance with the exemption available within FRS 102, the company does not need to disclose related party transactions with entities that are wholly owned members of the Cardiff Metropolitan University group. There were no transactions with other related parties that require disclosure.