

**UNIVATION LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 JULY 2015**

**REGISTERED NO. : SC158742**

**Annual report and financial statements  
for the year to 31 July 2015**

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**Directors and Advisers****Directors**

M McCall  
H Mill  
V Maehle

**Registered office**

Central Services Building  
Garthdee Campus  
Garthdee Road  
Aberdeen  
AB10 7FY

**Auditors**

KPMG LLP  
37 Albyn Place  
Aberdeen  
AB10 1JB

**Solicitors**

Biggart Baillie  
No 2 Lochrin Square  
96 Fountainbridge  
Edinburgh  
EH3 9QA

**Bankers**

Bank of Scotland  
3-5 Albyn Place  
Aberdeen  
AB10 1YN

**Directors' Report for the year ended 31 July 2015**

The directors present their report and audited financial statements for the year ended 31 July 2015.

**Principal Activity**

The company's principal activity during the year was the provision of education, training and related consultancy services in topics that included engineering, management, health and design.

**Review of business and future developments**

Trading volumes fell during the year under review. The company's main training contract in Algeria completed as planned during the year; but the hoped for replacement business in the region has been slow to develop into actual orders.

The company's other major project, with its partner, Oil Team Academy in Russia, stalled on the back of the major political and economic perturbations experienced in both the region and in the Oil and Gas market worldwide.

No significant new business orders were won to replace these although the directors remain hopeful that the current pipeline will deliver substantial new orders over the coming year.

The company's new suite of services, RGU Wellness, is taking more time to grow than the Directors envisaged. Progress has been made but the breakthrough significant order has yet to be realised. The directors remain confident that these health offerings will be of interest to a range of private and public sector organisations looking to prevent ill health and injury and reduce absence rates.

Revenues for the year are down over 50% compared to prior year but margins have held up quite well. Although profitability has dropped correspondingly, the indirect cost base has been effectively controlled and overall profitability is still considered satisfactory in difficult trading circumstances.

The directors have resolved to make a gift aid payment to the parent of £280,924 (2014: £593,897).

The company will continue to provide education, training and consultancy services in areas where it and its parent, Robert Gordon University, have expertise. It will seek, alongside its parent, new opportunities for its services in the UK and overseas markets.

The directors believe that it is appropriate to prepare the financial statements on a going concern basis.

## Results and Dividends

The profit for the year after taxation amounts to £0 (2014: loss £13,353). The directors do not recommend the payment of a dividend (2014: £nil).

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

## Directors and their Interests

The directors who held office during the year, and as at the date of this report, were as follows:

M McCall  
H Mill  
V Maehle

## 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; and
- 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 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.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Independent Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### **On behalf of the board**

Director



M McCall

17 December 2015

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVATION LIMITED**

We have audited the financial statements of Univation Limited for the year ended 31 July 2015 set out on pages 7 to 14. 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 Statement of Directors' Responsibilities 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 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/auditscopeukprivate](http://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 31 July 2015 and of its profit 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 matters 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVATION LIMITED (continued)****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 or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**David Derbyshire**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
37 Albyn Place  
Aberdeen AB10 1JB

18 December 2015



**Profit and Loss Account  
for the year ended 31 July 2015**

	<i>Notes</i>	<b>2015</b>	<b>2014</b>
		£	£
<b>Turnover</b>	2	<b>1,559,657</b>	3,696,728
Cost of sales		<b>(1,123,752)</b>	(2,560,656)
<b>Gross profit</b>		<b>435,905</b>	1,136,072
Administrative & other expenses		<b>(39,085)</b>	(44,602)
<b>Operating profit</b>	3	<b>396,820</b>	1,091,470
Interest payable		<b>(8,010)</b>	(8,010)
Interest receivable		<b>25,692</b>	17,026
Gift Aid Payment to the Robert Gordon University	3	<b>(280,924)</b>	(593,897)
<b>Profit on ordinary activities before taxation</b>		<b>133,578</b>	506,589
Tax on profit on ordinary activities	5		
Corporation Tax		-	-
Overseas Withholding Tax		<b>(133,578)</b>	(519,942)
Deferred Tax		-	-
<b>Profit/(loss) for the financial year</b>	10	<b>-</b>	<b>(13,353)</b>

All the above figures relate to the company's continuing activities.

The company has no recognised gains and losses other than those included in the results above and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year above, and their historical cost equivalents.

**Balance Sheet  
as at 31 July 2015**

	Notes	2015 £	2014 £
<b>Current assets</b>			
Debtors	6	167,018	794,404
Cash at bank and in hand		1,255,848	2,387,506
		<u>1,422,866</u>	<u>3,181,910</u>
<b>Creditors : amounts falling due within one year</b>	7	<u>(1,205,604)</u>	<u>(2,964,648)</u>
<b>Net current assets</b>		<u>217,262</u>	<u>217,262</u>
<b>Total assets less current liabilities</b>		<u>217,262</u>	<u>217,262</u>
<b>Net assets</b>		<u>217,262</u>	<u>217,262</u>
<b>Capital and reserves</b>			
Called up share capital	8	100,000	100,000
Profit and loss account	9	117,262	117,262
<b>Total shareholders' funds</b>	10	<u>217,262</u>	<u>217,262</u>

The financial statements on pages 7 to 14 were approved by the board of directors on 17 December 2015 and were signed on its behalf by

M McCall  
Director



**Notes to the financial statements for the year ended 31 July 2015****1 Principal 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.

**Basis of accounting**

The financial statements are prepared under the historical cost convention and on a going concern basis in accordance with the Companies Act 2006.

**Turnover**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long term contracts where turnover represents the sales value of work completed in the year calculated on a percentage of the total contract value. The percentage figure is calculated using the cost to completion method where the costs incurred are taken as a percentage of the total expected costs for the contract.

**Foreign Exchange**

Foreign currency transactions are translated at the rate applicable in the month they occur with foreign exchange differences taken to the Profit & Loss account. Foreign cash balances are re-valued at each month end based on the closing exchange rate with foreign exchange differences taken to the Profit & Loss account.

**Deferred taxation**

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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- On the basis of all available evidence deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on a non-discounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Notes to the financial statements for the year ended 31 July 2015 (continued)****1 Principal accounting policies (continued)**Cash flow statement

The company is a wholly-owned subsidiary of the Robert Gordon University and its results are included in the consolidated financial statements of the University. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996).

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Provisions

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

Accrued & Deferred Income

Due to the long-term nature of some of our major contracts revenue is accrued or deferred as appropriate with the differences between those amounts and amounts billed taken to debtors and creditors as appropriate.

**Notes to the financial statements for the year ended 31 July 2015 (continued)****2 Turnover**

Geographical markets supplied by origin:	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>401,301</b>	492,135
Other	<b>1,158,356</b>	3,204,593
	<b>1,559,657</b>	<b>3,696,728</b>

All turnover relates to corporate training, consultancy and education.

**3 Operating profit**

Profit on ordinary activities before taxation is stated after charging :

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Gift aid payment to Robert Gordon University	<b>(280,924)</b>	(593,897)
Auditor's remuneration		
Audit of these financial statements	<b>10,815</b>	9,350
Other services: taxation	<b>2,400</b>	2,400

Audit Fee is shown including VAT.

**4 Information regarding directors and employees**

The company had no employees during the year to 31 July 2015 (2014: none). The parent undertaking provided staff for the company during the year. Univation paid £nil (2014: £nil) in total for the services of the staff provided by the parent undertaking in the year.

None of the directors has a contract of service with the company and the three directors received £nil (2014: £nil) aggregate remuneration for acting as directors of the company during the year to 31 July 2015.

**Notes to the financial statements for the year ended 31 July 2015 (continued)****5 Tax on profit on ordinary activities**

	<b>2015</b> £	2014 £
<b>Foreign Tax</b>		
Withholding Tax	<b>(133,578)</b>	(519,942)
	<u>(133,578)</u>	<u>(519,942)</u>
Total current tax		
	<u>(133,578)</u>	<u>(519,942)</u>
	<u>(133,578)</u>	<u>(519,942)</u>
Tax on profit on ordinary activities before tax	<b>(133,578)</b>	(519,942)

The current tax charge on profit on ordinary activities is higher than the standard rate of corporation tax in the United Kingdom of 20.67% (2014: 22%). The differences are explained below:

	<b>2015</b> £	2014 £
<b>Profit on ordinary activities before tax</b>	<b>133,578</b>	506,589
Profit on ordinary activities multiplied by standard rate in the UK 20.67% (2014: 22%)	<b>27,605</b>	113,129
Effects of:		
Fixed asset differences	-	6,010
Expenses not deductible for tax purposes	-	3,077
Other permanent differences	<b>(27,605)</b>	(116,111)
DTR, Overseas tax, Tax credits on FII & Irrecoverable tax	<b>133,578</b>	519,942
Capital allowances in excess of depreciation	-	(6,010)
Utilisation of tax losses and other deductions	-	(95)
	<u><b>133,578</b></u>	<u>519,942</u>

**Notes to the financial statements for the year ended 31 July 2015 (continued)**

<b>9</b>	<b>Profit &amp; loss account</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	At 1 August	<b>117,262</b>	130,615
	Profit/(loss) for the financial year	-	(13,353)
	<b>At 31 July</b>	<b>117,262</b>	<b>117,262</b>

  

<b>10</b>	<b>Reconciliation of movement in shareholders' funds</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Opening shareholders' funds	<b>217,262</b>	230,615
	Profit/(loss) for the financial year	-	(13,353)
	Closing shareholders' funds	<b>217,262</b>	<b>217,262</b>

**11 Related Party Transactions**

As the company is a wholly owned subsidiary undertaking, it has taken advantage of the exemption in FRS8 not to disclose those transactions with other group companies that are eliminated on consolidation. There were no other related party transactions.

**12 Parent undertaking**

The company is a wholly owned subsidiary of The Robert Gordon University. Copies of the published financial statements of The Robert Gordon University can be obtained from The Robert Gordon University, Schoolhill, Aberdeen, AB10 1FR.

**Notes to the financial statements for the year ended 31 July 2015 (continued)**

<b>6 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>159,537</b>	664,985
Amounts due from parent undertaking	<b>6,872</b>	-
Other debtors	<b>609</b>	129,419
	<b>167,018</b>	<b>794,404</b>

  

<b>7 Creditors: amounts falling due within One year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>1,650</b>	450
Amounts due to parent undertaking	<b>925,145</b>	1,817,731
Accrued Commission	-	35,884
Accruals and deferred income	<b>278,584</b>	1,110,583
Other creditors	<b>225</b>	-
	<b>1,205,604</b>	<b>2,964,648</b>

The loan from the parent undertaking is subordinated in all respects to all other liabilities. Interest has been charged by the parent during the year at LIBOR plus 2% (2014 LIBOR plus 2%).

**8 Called up share capital**

Allotted, called up and fully paid:	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
100,000 (2014: 100,000) Ordinary shares of £1 each	<b>100,000</b>	100,000