

Univation Limited

Directors' report and financial statements

Registered number SC158742

Year ended 31 July 2017

Univation Limited
Directors' report and financial statements
Year ended 31 July 2017

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Directors' report and financial statements
Year ended 31 July 2017

Directors and advisers

Directors

M McCall
C Moule

Registered office

Central Services Building
Garthdee Campus
Garthdee Road
Aberdeen
AB10 7FY

Auditor

KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Solicitor

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

Bankers

Barclays Bank
163-165 Union Street
Aberdeen
AB11 6SL

Univation Limited
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Directors' report

Principal activities

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.

Directors

The directors who held office during the year were as follows:

M McCall

H Mill resigned 6th January 2017

J Steuten appointed 10th January 2017 resigned 26th June 2017

C Moule appointed 28th November 2017

The Company provided qualifying third party indemnity provisions to the directors of the Company during the financial year and at the date of this report.

Results and dividends

The results of the company for the year are presented in the profit and loss account on page 7. The directors do not propose a dividend for the year (2016: £nil). No political donations were made in the year (2016: £nil).

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

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.

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

By order of the board



Michael McCall
Director

Central Services Building
Garthdee Campus
Garthdee Road
Aberdeen AB10 7FY
14 December 2017

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), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVATION LIMITED

Opinion

We have audited the financial statements of Univation Limited ("the company") for the year ended 31 July 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Our responsibility is to read the 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 directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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:

- 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVATION LIMITED
(continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

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.



David Derbyshire (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
37 Albyn Place
Aberdeen AB10 1JB

14 December 2017

Univation Limited
Directors' report and financial statements
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Profit and loss account and other comprehensive income
for the year ended 31 July 2017

	<i>Note</i>	2017 £	2016 £
Turnover	2	536,206	427,973
Cost of sales		(394,850)	(360,295)
Gross profit		141,356	67,678
Administrative expenses		(51,184)	(34,458)
Operating profit		90,172	33,220
Other interest receivable and similar income	5	8,190	18,171
Interest payable and similar expenses	6	(7,431)	(8,010)
Profit before taxation		90,931	43,381
Tax on profit	7	(17,882)	(8,676)
Profit for the financial year		73,049	34,705
Other comprehensive income		-	-
		73,049	34,705

All of the activities are continuing. The notes on pages 10 to 18 form and integral part of these financial statements.]

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Balance sheet
at 31 July 2017

	<i>Note</i>	2017		2016	
		£	£	£	£
Current assets					
Debtors	8	78,860		278,972	
Cash at bank and in hand		986,520		951,168	
		1,065,380		1,230,140	
Creditors: amounts falling due within one year	9	(848,118)		(1,012,878)	
Net current assets		217,262		217,262	
Total assets less current liabilities		217,262		217,262	
Net assets		217,262		217,262	
Capital and reserves					
Called up share capital	11	100,000		100,000	
Profit and loss account		117,262		117,262	
Shareholders' funds		217,262		217,262	

The notes on pages 10 to 18 form an integral part of these financial statements. These financial statements were approved by the board of directors on 14 December 2017 and were signed on its behalf by:



M McCall
Director

Company registered number: SC158742

Univation Limited
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Statement of changes in equity

	2017		2016	
	Called up Share capital £	Profit and loss account £	Total equity £	Called up Share capital £
				Profit and loss account £
				Total equity £
Balance at 1 August 2016	100,000	117,262	217,262	100,000
				117,262
				217,262
Comprehensive income for the year				
Profit for the year	-	73,049	73,049	-
				34,705
Total comprehensive income for the year	-	73,049	73,049	-
				34,705
Gift-aid payment (Note 12)	-	(90,931)	(90,931)	-
Current tax credit	-	17,882	17,882	-
				(43,381)
				8,676
Effect of Gift-aid recorded directly in equity	-	(73,049)	(73,049)	-
				(34,705)
Balance at 31 July 2017	100,000	117,262	217,262	100,000
				117,262
				217,262

The notes on pages 10 to 18 form and integral part of these financial statements.

Univation Limited
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Notes

(forming part of the financial statements)

1 Accounting policies

Univation Limited (the "Company") 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 and Republic of Ireland ("FRS102") as issued in August 2014. The amendments to FRS102 issued in July 2015 have been applied. The presentation currency of these financial statements is Sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's parent undertaking, Robert Gordon University includes the Company in its consolidated financial statements. The consolidated financial statements of Robert Gordon University are available to the public and may be obtained from Central Services Building, Garthdee Campus, Garthdee Road, Aberdeen AB10 7FY. In these financial statements, the company 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 following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The directors consider it appropriate to continue to prepare the financial statements on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced or accrued to third parties for provision of goods or services delivered, 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. Royalty income is recognised when earned.

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Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.7 Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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Notes *(continued)*

2 Turnover

	2017	2016
	£	£
Rendering of services	535,416	424,157
Royalties	790	3,816
	<hr/>	<hr/>
Total turnover	536,206	427,973
	<hr/> <hr/>	<hr/> <hr/>
	2017	2016
	£	£
By activity		
Teaching	483,088	306,363
Consultancy	52,328	117,794
Royalties	790	3,816
	<hr/>	<hr/>
	536,206	427,973
	<hr/> <hr/>	<hr/> <hr/>
By geographical market		
UK	173,891	242,704
Africa	159,815	152,000
Russia	-	33,269
Asia	151,600	-
Caribbean	20,000	-
USA	29,549	-
Other	1,351	-
	<hr/>	<hr/>
	536,206	427,973
	<hr/> <hr/>	<hr/> <hr/>

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2017	2016
	£	£
Audit of these financial statements	5,220	5,760
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	2,400	2,400
	<hr/>	<hr/>

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Notes *(continued)*

4 Staff numbers and costs

The company had no employees during the year to 31 July 2017 (2016: none). The parent undertaking provided staff for the company during the year. Univation paid £nil (2016: £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 directors received £nil (2016: £nil) aggregate remuneration for provision of qualifying services to the company.

5 Other interest receivable and similar income

	2017 £	2016 £
Interest receivable on financial assets at amortised cost	8,190	18,171
Total interest receivable and similar income	8,190	18,171

Interest receivable and similar income includes income from group undertakings of £nil (2016: £nil).

6 Interest payable and similar expenses

	2017 £	2016 £
Interest payable on financial liabilities at amortised cost	7,431	8,010
Total interest payable and similar expenses	7,431	8,010

Of the above amount £7,431 (2016:£8,010) was payable to group undertakings (note 10).

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Notes *(continued)*

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017	2016
	£	£
<i>Current tax</i>		
Current tax on income for the period	17,882	8,676
Current tax credit in respect of gift aid payments	(17,882)	(8,676)
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>
Total tax	-	-
	<hr/>	<hr/>

	2017		2016	
	£	£	£	£
	Current tax	Total tax	Current tax	Total tax
Recognised in Profit and loss account	17,882	17,882	8,676	8,676
Recognised directly in equity	(17,882)	(17,882)	(8,676)	(8,676)
	<hr/>	<hr/>	<hr/>	<hr/>
Total tax	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Analysis of current tax recognised in profit and loss

	2017	2016
	£	£
UK corporation tax due to gift aid charges	17,882	8,676
Foreign tax paid	-	-
	<hr/>	<hr/>
Total current tax recognised in profit and loss	17,882	8,676
	<hr/>	<hr/>

Univation Limited
Directors' report and financial statements
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Notes *(continued)*

7 Taxation *(continued)*

Reconciliation of effective tax rate

	2017	2016
	£	£
Profit for the year	73,049	34,705
Total tax expense	17,882	8,676
Profit excluding taxation	90,931	43,381
Tax using the UK corporation tax rate of 19.67% (2016:20%)	17,882	8,676
Other permanent differences	-	-
Effect of tax rates in foreign jurisdictions	-	-
Total tax expense included in profit or loss	17,882	8,676

8 Debtors

	2017	2016
	£	£
Trade debtors	77,761	268,479
Amounts owed by group undertakings	490	9,884
Other debtors	609	609
	78,860	278,972

9 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	2,010	450
Amounts owed to group undertakings (see note 10)	590,041	641,929
Other creditors	30,769	-
Accruals and deferred income	225,298	370,499
	848,118	1,012,878

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Notes *(continued)*

10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, included in note 9, which are measured at amortised cost:

	2017 £	2016 £
Creditors falling due within less than one year		
Loan from parent	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2017 £	2016 £
Loan from parent	£	Libor + 2%	Ongoing	On demand	300,000	300,000
					<u>300,000</u>	<u>300,000</u>

11 Capital and reserves

Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
100000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

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Notes *(continued)*

12 Gift aid payment

	2017	2016
	£	£
Gift aid	90,931	43,381
	90,931	43,381

Gift aid payments by the company to its parent are accounted for within equity as a distribution adjustment to reserves.

13 Related parties

The related parties of the company include the ultimate parent entity, Robert Gordon University. Exemption is taken from disclosure of transactions entered into between two or more members of a group, where subsidiaries are wholly owned. There were no other related parties with which the company has transacted.

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Robert Gordon University. The ultimate controlling party is Robert Gordon University.

