

**Univation Limited**

Directors' report and financial statements

Registered number SC158742

Year ended 31 July 2018

**Univation Limited**  
**Directors' report and financial statements**  
**Year ended 31 July 2018**

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**Univation Limited**  
**Directors' report and financial statements**  
**Year ended 31 July 2018**

**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**

Thorntons Law LLP  
Whitehall House  
33 Yeaman Shore  
Dundee  
DD1 4BJ

**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

C Moule      appointed 28<sup>th</sup> 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 (2017: £nil). No political donations were made in the year (2017: £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**

The company will, during the coming year, be tendering for external audit services for the year ended 31<sup>st</sup> July 2019 and thereafter.

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  
19<sup>th</sup> December 2018

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**Directors' report and financial statements**  
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**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 2018 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 2018 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 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:

- 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](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.



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

*Chartered Accountants*  
37 Albyn Place  
Aberdeen AB10 1JB

19<sup>th</sup> December 2018

**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 2018**

	<i>Note</i>	<b>2018</b> £	Restated 2017 £
<b>Turnover</b>	2	<b>643,453</b>	536,206
Cost of sales		<b>(444,626)</b>	(394,850)
<b>Gross profit</b>		<b>198,827</b>	141,356
Administrative expenses		<b>(33,327)</b>	(51,184)
<b>Operating profit</b>		<b>165,500</b>	90,172
Other interest receivable and similar income	5	<b>2,726</b>	8,190
Interest payable and similar expenses	6	<b>(7,431)</b>	(7,431)
<b>Profit before taxation</b>		<b>160,795</b>	90,931
Tax on profit	7	<b>(13,940)</b>	-
<b>Profit for the financial year</b>		<b>146,855</b>	90,931
<b>Other comprehensive income</b>		-	-
		<b>146,855</b>	90,931

All of the activities are continuing.

The comparative profit and loss has been restated to reflect changes under the December 2017 amendments to FRS 102 relating to accounting for tax credits arising on gift aid, as set out in note 12. No changes have been made to net assets or equity at 31 July 2017 nor to the profit before tax for the year then ended.

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



**Univation Limited**  
**Directors' report and financial statements**  
**Year ended 31 July 2018**

**Balance sheet**  
**at 31 July 2018**

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	8	132,578	78,860
Cash at bank and in hand		1,256,668	986,520
		<u>1,389,246</u>	<u>1,065,380</u>
<b>Creditors:</b> amounts falling due within one year	9	(1,171,984)	(848,118)
<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	11	100,000	100,000
Profit and loss account		117,262	117,262
<b>Shareholders' funds</b>		<u>217,262</u>	<u>217,262</u>

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 December 2018 and were signed on its behalf by:



**M McCall**  
*Director*

Company registered number: SC158742

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**Statement of changes in equity**

	2018			Restated 2017		
	Called up Share capital £	Profit and loss account £	Total equity £	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 August 2017	100,000	117,262	217,262	100,000	117,262	217,262
Comprehensive income for the year						
Profit for the year	-	146,855	146,855	-	90,931	90,931
Total comprehensive income for the year	-	146,855	146,855	-	90,931	90,931
Transactions with shareholders						
Gift-aid payment (Note 12)	-	(146,855)	(146,855)	-	(90,931)	(90,931)
Balance at 31 July 2018	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**  
**Directors' report and financial statements**  
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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. In addition, the company has adopted early the amendment to FRS 102 issued in December 2017 relating to accounting for taxation in respect of gift aid. The effect of this change, together with the restatement of comparative financial information is set out in note 12.

The presentation currency of these financial statements is Sterling.

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. The percentage figure of work complete 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 expenses 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.

**1.8 Exemption from group financial statements**

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Robert Gordon University (note 14).

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**Notes** *(continued)*

**2 Turnover**

	<b>2018</b> £	2017 £
Rendering of services	<b>640,657</b>	535,416
Royalties	<b>2,796</b>	790
	<hr/>	<hr/>
Total turnover	<b>643,453</b>	536,206
	<hr/> <hr/>	<hr/> <hr/>
	<b>2018</b> £	2017 £
By activity		
Teaching	<b>508,683</b>	483,088
Consultancy	<b>131,974</b>	52,328
Royalties	<b>2,796</b>	790
	<hr/>	<hr/>
	<b>643,453</b>	536,206
	<hr/> <hr/>	<hr/> <hr/>
By geographical market		
UK	<b>212,921</b>	173,891
Africa	-	159,815
Europe	<b>896</b>	-
Middle East	<b>248,301</b>	-
Asia	<b>162,900</b>	151,600
Caribbean	-	20,000
USA	<b>18,435</b>	29,549
Other	-	1,351
	<hr/>	<hr/>
	<b>643,453</b>	536,206
	<hr/> <hr/>	<hr/> <hr/>

**3 Expenses and auditor's remuneration**

*Auditor's remuneration:*

	<b>2018</b> £	2017 £
Audit of these financial statements	<b>5,000</b>	5,220
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	<b>2,400</b>	2,400
	<hr/> <hr/>	<hr/> <hr/>

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**Notes** *(continued)*

**4 Staff numbers and costs**

The company had no employees during the year to 31 July 2018 (2017: none). The parent undertaking provided staff for the company during the year.

The Company paid no direct staff costs in the year to its parent undertaking. The cost of using parent employees for customer contracts is recharged to the Company as part of the cost of sale for the individual project. A parent company management fee of £23,000 (2017: £23,000) is charged for administrative support provided to the company.

None of the directors has a contract of service with the company and the directors received £nil (2017: £nil) aggregate remuneration for provision of qualifying services to the company.

**5 Other interest receivable and similar income**

	<b>2018</b> <b>£</b>	2017 £
Interest receivable on financial assets at amortised cost	<b>2,726</b>	8,190
Total interest receivable and similar income	<b>2,726</b>	8,190

Interest receivable and similar income includes income from group undertakings of £nil (2017: £nil).

**6 Interest payable and similar expenses**

	<b>2018</b> <b>£</b>	2017 £
Interest payable on financial liabilities at amortised cost	<b>7,431</b>	7,431
Total interest payable and similar expenses	<b>7,431</b>	7,431

Of the above amount £7,431 (2017:£7,431) was payable to group undertakings (note 10).

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**Notes** *(continued)*

**7 Taxation**

**Total tax expense**

The total tax expense for the year was recognised in the profit and loss account as follows:

	<b>2018</b>	Restated
	<b>£</b>	2017
		<b>£</b>
<i>Current tax</i>		
UK current tax on income for the year	-	-
Foreign current tax on income for the year	<b>13,940</b>	-
	<hr/>	<hr/>
Total current tax	<b>13,940</b>	-
	<hr/>	<hr/>
Total tax	<b>13,940</b>	-
	<hr/>	<hr/>

**Reconciliation of effective tax rate**

The tax charge for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 19.67%). The differences are explained below:

	<b>2018</b>	Restated
	<b>£</b>	2017
		<b>£</b>
Profit for the year	<b>146,855</b>	90,931
Total tax expense	<b>13,940</b>	-
	<hr/>	<hr/>
Profit excluding taxation	<b>160,795</b>	90,931
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2017:19.67%)	<b>30,551</b>	17,882
Foreign tax suffered	<b>13,940</b>	-
Other permanent differences	<b>(2,649)</b>	-
Gift aid deduction (note 12)	<b>(27,902)</b>	(17,882)
	<hr/>	<hr/>
Total tax expense included in profit or loss	<b>13,940</b>	-
	<hr/>	<hr/>

**Factors affecting the future tax charge**

The company's future tax charge in the UK is expected to be offset by relief for gift aid donations (note 12). The tax charge in future periods is expected to comprise foreign tax suffered, relating to international activities undertaken. There are no unprovided deferred tax provisions and no unrecognised deferred tax assets.



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**Notes** *(continued)*

**8 Debtors**

	<b>2018</b>	2017
	<b>£</b>	£
Trade debtors	<b>124,573</b>	77,761
Amounts owed by group undertakings	-	490
Other debtors	<b>809</b>	609
Overseas taxation (prepaid)	<b>7,196</b>	-
	<hr/> <b>132,578</b> <hr/>	<hr/> 78,860 <hr/>

**9 Creditors: amounts falling due within one year**

	<b>2018</b>	2017
	<b>£</b>	£
Trade creditors	<b>450</b>	2,010
Amounts owed to group undertakings (see note 10)	<b>771,592</b>	590,041
Other creditors	<b>29,600</b>	30,769
Accruals and deferred income	<b>370,342</b>	225,298
	<hr/> <b>1,171,984</b> <hr/>	<hr/> 848,118 <hr/>

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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:

	2018 £	2017 £
<b>Creditors falling due within less than one year</b>		
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	2018 £	2017 £
Loan from parent	£	Libor + 2%	Ongoing	On demand	300,000	300,000
					<u>300,000</u>	<u>300,000</u>

**11 Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
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**

	<b>2018</b>	2017
	£	£
Gift aid	<b>146,855</b>	90,931
	<u><b>146,855</b></u>	<u>90,931</u>

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

The accounting for the tax deduction for gift aid payments has been changed in these financial statements, following the triennial review amendments to FRS 102, issued in December 2017. Previously, the company reported a tax charge in the profit and loss account before deduction for gift aid relief, with the gift aid relief reported as a credit deduction within the statement of changes in equity. Under the amended FRS 102, gift aid relief is shown as a deduction within the tax charge reported in the profit and loss account for the period and no equity credit recorded.

Comparative financial information has been restated. This has reduced the previously reported tax charge for the year ended 31 July 2017 from £17,882 to £nil and increased profit after tax for that year from £73,049 to £90,931. The current tax credit previously reported in equity at 31 July 2017 has been reduced from £17,882 to £nil.

There is no change to net assets or equity previously reported at 31 July 2017 or 31 July 2016.

**13 Related parties**

The related parties of the company include the ultimate parent entity, Robert Gordon University and the company's wholly owned, non-trading subsidiaries, The Aberdeen Business School Limited, The Aberdeen Management Centre Limited and The Robert Gordon University – The Energy University Limited. All the subsidiaries are registered in Scotland at Garthdee Road, Aberdeen, AB10 7QE.

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.

