

Royal Agricultural University Enterprises Limited

Annual Report and Financial Statements

for the year ended 31 July 2013

Registered Number 2752048

Royal Agricultural University Enterprises Limited

Annual Report and Financial Statements

for the year ended 31 July 2013

Contents

Directors' report.....	1
Independent auditors report.....	4
Profit and loss account.....	6
Balance sheet	7
Notes to the financial statements.....	8

Royal Agricultural University Enterprises Limited

Directors' report for the year ended 31 July 2013

The directors present their annual report and the audited financial statements for the year ended 31 July 2013. The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Change of Name

The parent company, the Royal Agricultural College, gained University status and changed its name on 23 April 2013 to Royal Agricultural University. On 23 May 2013 this company changed its name replacing the word "College" in its name with "University". It retained the same company number.

Principal Activities

The company is a wholly owned subsidiary of the Royal Agricultural University, formed to undertake activities outside the University's principal charitable objective. The profits of the company are gift aided annually to the University.

Review of business and future developments

Turnover increased this year from £1,137k to £1,182k yielding 25% net profit before charitable contribution (2012: 19%) and made gift aid donations to the University of £298k (2012: £216k).

Conference turnover increased during 2013 to £676k (2012: £613k). Profit before management recharge was £308k; (2012: £225k), a sign that conference business is being, not only held, but grown, in difficult economic conditions. The year on year additional income and profit has been the result of an increase in residential conferences during the summer months as opposed to day hire of meeting rooms.

Consultancy turnover decreased during 2013 to £220k (2012: £229k). Profit before management recharge was £53k; (2012: £70k). This reflects the current economic climate making it challenging to win contracts.

Notwithstanding the broadening of product mix to focus on chilled food and grocery to cater for the needs of students in University self-catered accommodation the Shop income decreased to £285k (2012: £295k) but the profit before management recharge was maintained at £21k; (2012: £21k). The reduction in turnover is mainly due to the reduced spending power of students having less disposable funds as a result of both increased tuition fees and price rises on essentials elsewhere in the economy.

Overall, the company performance for the year was good, with the largest contributor, Conferences, providing growth in terms of income with tight cost control generating increased profitability.

Looking forward, steady growth is forecast.

Royal Agricultural University Enterprises Limited

Financial Risk Management

The company takes the following steps to manage its financial exposure:

- Price risk - prices for the lettings of facilities are based on market forces in the area and the level of profitability required by the company;
- Credit risk – this is low as the customers are many and varied with many of the conference customers well known to the company and established users of the facilities;
- Cash flow & liquidity risk – the company has banking facilities available with Lloyds via its controlling party, the Royal Agricultural University.

Dividends

The directors do not recommend the payment of a dividend (2012: £Nil).

Directors

The directors of the company for the year ended 31 July 2013 and up to the date of signing the financial statements are listed below:

C J Gaskell	Chairman
T M Chapman	Company Secretary
S P King	
K Morgan	
T A North	

Directors' interests

No director had any interest in the shares of the company as at 31 July 2013 (2012: None).

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.

Royal Agricultural University Enterprises Limited

Directors' report for the year ended 31 July 2013 (continued)

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 on disclosure of information to the auditors

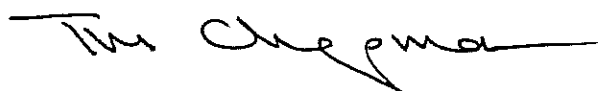
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

PricewaterhouseCoopers LLP was appointed as Auditor to the Company from 1 August 2012.

By order of the Board



Theresa M Chapman
Company Secretary
21 October 2013

Royal Agricultural University Enterprises Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYAL AGRICULTURAL UNIVERSITY ENTERPRISES LIMITED

We have audited the financial statements of Royal Agricultural University Enterprises Limited for the year ended 31 July 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 2 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.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report for the year ended 31 July 2013 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Royal Agricultural University Enterprises Limited

Opinion on other matter 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.

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 prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report.



Lynn Pamment (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 21 October 2013

Royal Agricultural University Enterprises Limited

Profit and loss account for the year ended 31 July 2013

	Notes	2013 £	2012 £
Turnover	3	1,181,926	1,137,122
Cost of sales		(884,530)	(922,293)
Gross profit	4	297,396	214,829
Interest receivable		783	744
Profit before charitable contribution		298,179	215,573
Charitable contribution to parent company	12	(298,179)	(215,573)
Retained profit for the year	10	-	-

The company has prepared its profit and loss account on the basis of continuing operations. All turnover and profit relates to continuing operations.

The company has no recognised gains and losses other than those included in the profits 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 and the retained profit for the years stated above, and their historical cost equivalents.

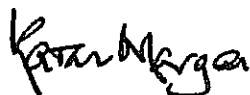
Royal Agricultural University Enterprises Limited

Company Number 2752048

Balance sheet at 31 July 2013

	Notes	2013 £	2012 £
Current assets			
Stock	6	30,307	32,307
Debtors	7	147,311	169,969
Cash at bank		302,608	270,281
		480,226	472,557
Creditors: amounts falling due within one year	8	(429,915)	(422,246)
Net assets		50,311	50,311
Capital and reserves			
Issued share capital	9	50,000	50,000
Revenue reserve	10	311	311
Shareholders' funds	11	50,311	50,311

The financial statements on pages 6 to 12 have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and were approved and authorised for issue by the Board of Directors on 21 October 2013 and were signed on its behalf by:



Karen J Morgan
Director



Teresa A North
Director

21 October 2013

Royal Agricultural University Enterprises Limited

Notes to the financial statements for the year ended 31 July 2013

1 Principal accounting policies

The financial statements have been prepared on the going concern basis 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.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the invoiced value of services provided, excluding value added tax.

Conferences income is recognised as the events take place. Monies received in advance of the event are held on the balance sheet as liabilities and not credited to Profit and Loss until the event takes place.

Consultancy income is accounted for on an accruals basis and included to the extent of completion of the contract or services concerned. Any monies received in advance of performance are recognised on the balance sheet as liabilities until the relevant work has taken place.

Shop income is credited to Profit and Loss account when the goods or services are supplied to the customer.

Foreign currencies

Any foreign exchange differences are taken to the profit and loss account in the period in which they arise.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

2 Cash flow

The company is a wholly owned subsidiary of The Royal Agricultural University and is included in the consolidated financial statements of the parent company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Royal Agricultural University Enterprises Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

3 Turnover from continuing operations by geographical segment

	2013	2012
	£	£
United Kingdom	1,156,087	1,078,406
Rest of Europe	22,808	57,622
Rest of World	3,031	1,094
	1,181,926	1,137,122

Turnover from continuing operations by activity

	2013	2012
	£	£
Conferences	676,276	613,369
Consultancy	220,405	228,528
Shop	285,245	295,225
	1,181,926	1,137,122

Included in the turnover figure for Consultancy is non-fee income during the year of £44,022 (2012: £10,404).

4 Gross profit from continuing operations for the year

	2013	2012
	£	£

The gross profit for the year is stated after a management charge of £77,402 from the Royal Agricultural University.

The management charge is in respect of costs incurred by the University where an appropriate proportion may be attributed to the operations of the company.

Proportionate costs recharged to the company included:

Directors' emoluments	19,163	16,072
Auditors' remuneration	5,000	5,000
Staff costs	301,246	395,939

The average number of persons directly employed by the company during the year was Nil (2012: Nil).

Royal Agricultural University Enterprises Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

5 Related party transactions

The company has taken advantage of the exemption permitted by Financial Reporting Standard 8, available to group undertakings where 100% of the voting rights are controlled within the group and where consolidated financial statements are publicly available, not to fully disclose transactions with other group companies within these accounts.

6 Stocks

	2013	2012
	£	£
Goods for resale:		
Shop Stock	30,307	32,307
	30,307	32,307

7 Debtors

	2013	2012
	£	£
Amounts falling due within one year:		
Trade debtors	90,881	117,057
Prepayments and accrued income	56,430	52,912
	147,311	169,969

8 Creditors: amounts falling due within one year

	2013	2012
	£	£
Amounts owed to parent company	346,441	289,107
Accruals and deferred income	75,268	129,821
Trade Creditors	8,206	3,318
	429,915	422,246

Royal Agricultural University Enterprises Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

9 Share capital

	2013	2012
	£	£
Authorised:		
50,000 Ordinary shares of £1 each	50,000	50,000
Issued:		
50,000 Ordinary share of £1 each	50,000	50,000

10 Revenue reserve

	2013	2012
	£	£
At 1 August	311	311
Retained profit for the year	-	-
At 31 July	311	311

11 Reconciliation of movements in Shareholders' funds

	2013	2012
	£	£
Profit for the financial year	-	-
Opening Shareholders' funds	50,311	50,311
Closing Shareholders' funds	50,311	50,311

Royal Agricultural University Enterprises Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

12 Ultimate parent company

The company (registered number 2752048) is a wholly owned subsidiary of The Royal Agricultural University, by virtue of the University's holding of all of the company's 50,000 Ordinary shares of £1 each. The Royal Agricultural University is a company registered in England and Wales (number 99168) and is also a Registered Charity (number 311780).

Copies of The Royal Agricultural University consolidated financial statements may be obtained from the Company Secretary, The Royal Agricultural University, Cirencester, Gloucestershire, GL7 6JS.

Gift aid is donated to the parent company, as follows:

	2013	2012
	£	£
Gift aid:		
- in respect of current year	298,179	215,573