

**Chester Conferences Limited**  
**Annual report and financial statements**  
**For the year ended 31 July 2018**

Registered number: 02538188



# **Chester Conferences Limited**

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# Chester Conferences Limited

## Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 July 2018.

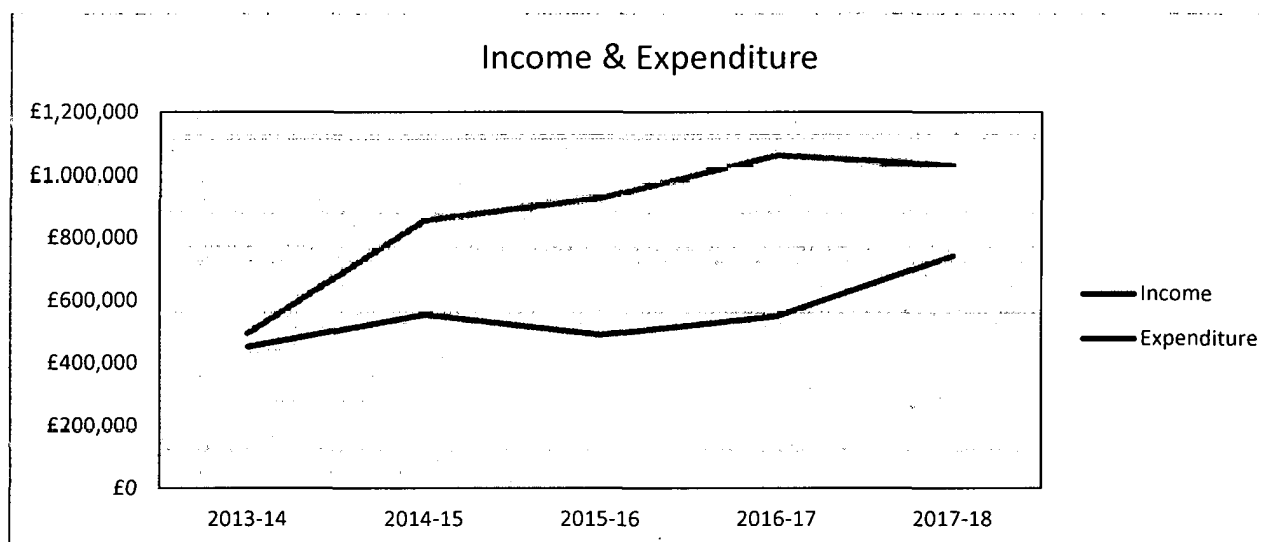
This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions. As such, and in accordance with section 414B of the Companies Act 2006, the directors have not prepared a Strategic Report.

### Principal Activities

The principal activities of the company are the provision of conference and course facilities.

### Business Review

The company continues to focus on vacation conferences at both the Chester and Warrington campuses. Below is a comparison of income and expenditure from 2014 to 2018;



The operating profit margin increased from 8.63% in 2014 to 28.09% in 2018 and the gross margin from 45.16% to 63.46% over the same period.

Administrative expenses have increased from £247,121 in 2017 to £363,825 in 2018.

Cost of sales increased from £302,007 in 2017 to £375,891 in 2018. There was a large one off cost for bedding and linen for £70,000.

Cash at bank and in hand has decreased from £424,108 to £410,033. Debtors have increased by £27,773 while creditors have increased by £289,757

### Going concern

As discussed in Note 1 to the financial statements, the directors have reviewed the company's forecasts and projections, taking account of reasonably possible changes in trading performance. The directors have a reasonable expectation that, despite the level of uncertainty in the economic environment, the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# **Chester Conferences Limited**

## **Directors' Report (continued)**

### **Directors**

The directors, who served throughout the year except as noted, were as follows:

Mr AWA Spiegelberg

Professor TJ Wheeler

Mr WJ Newton-Jones

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director 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.

This confirmation is given and should be interpreted in accordance with the provisions of S.418 of the Companies Act 2006.

KPMG LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

### **Approval of reduced disclosures**

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

Approved by the Board and signed on its behalf by:



C A Lee  
Company Secretary  
15<sup>th</sup> February 2019

University of Chester  
Parkgate Road  
Chester  
CH1 4BJ

## **Chester Conferences Limited**

### **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.

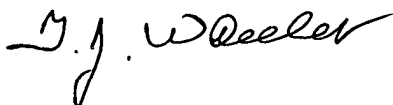
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Professor T J Wheeler  
Director  
15<sup>th</sup> February 2019

# **Chester Conferences Limited**

## **Independent Auditor's Report to members of Chester Conferences Limited**

### **Opinion**

We have audited the financial statements of Chester Conferences Limited ("the company") for the year ended 31 July 2018, which comprise the Profit and Loss Account, the Balance Sheet, the 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 applicable to smaller entities, including Section 1A of 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**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that 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.

# **Chester Conferences Limited**

## **Independent Auditor's Report to members of Chester Conferences Limited (continued)**

### **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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, 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.

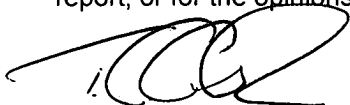
### **Auditor's responsibilities**

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.



**Timothy Cutler (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One St Peter's Square  
Manchester  
M2 3AE

Date: 20 FEBRUARY 2019

# Chester Conferences Limited

## Profit and Loss Account

For the year ended 31 July 2018

	Note	2018 £	2017 £ (restated – note 15)
<b>Turnover</b>	3	1,028,637	1,062,224
Cost of sales		(375,891)	(302,007)
<b>Gross profit</b>		652,746	760,217
Administrative expenses		(363,825)	(247,121)
<b>Operating profit/ (loss)</b>		288,921	513,096
Net interest receivable	4	512	372
<b>Profit/(Loss) on ordinary activities before taxation</b>	5	289,433	513,468
Tax on profit/(loss) on ordinary activities	6		
<b>Profit/(Loss) for the financial year</b>		289,433	513,468

The above results derive from continuing operations.

There are no recognised income or expenses other than the loss for the current year and profit for the previous year as shown above and consequently a separate statement of comprehensive income has not been presented.



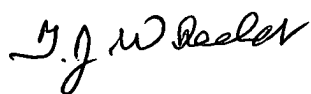
# Chester Conferences Limited

## Balance Sheet

As at 31 July 2018

	Note	2018 £	2017 £ (restated – note 15)
<b>Fixed assets</b>			
Tangible assets	7	1,467	1,867
		<u>1,467</u>	<u>1,867</u>
<b>Current assets</b>			
Debtors	8	612,301	584,528
Cash at bank and in hand		410,033	424,108
<b>Creditors: Amounts falling due within one year</b>	9	(715,487)	(425,730)
<b>Net current assets</b>		<u>306,847</u>	<u>582,906</u>
<b>Total assets less current liabilities</b>		<u>308,314</u>	<u>584,773</u>
<b>Net assets</b>		<u>308,314</u>	<u>584,773</u>
<b>Capital and reserves</b>			
Called-up share capital	10	5	5
Retained earnings		<u>308,309</u>	<u>584,768</u>
<b>Shareholders' funds</b>		<u>308,314</u>	<u>584,773</u>

The financial statements of Chester Conferences Limited (registered number 02538188) were approved by the board of directors and authorised for issue on 15<sup>th</sup> February 2019. They were signed on its behalf by:



Professor T J Wheeler  
Director

# Chester Conferences Limited

## Statement of changes in equity

For the Year ended 31 July 2018

	Called up Share Capital £	Retained earnings £	Total £
<b>At 1 August 2017 (Restated)</b>	<b>5</b>	<b>584,768</b>	<b>584,773</b>
Profit for the year		289,433	289,433
Gift Aid		(565,892)	(565,892)
<b>At 31 July 2018</b>	<b>5</b>	<b>308,309</b>	<b>308,314</b>
	Called up Share Capital £	Retained earnings £	Total £
<b>At 1 August 2016 (Restated)</b>	<b>5</b>	<b>510,320</b>	<b>510,325</b>
Profit for the year (Restated)	-	513,468	513,468
Gift Aid		(439,020)	(439,020)
<b>At 31 July 2017 (Restated)</b>	<b>5</b>	<b>584,768</b>	<b>584,773</b>

# **Chester Conferences Limited**

## **Notes to the Financial Statements (continued)**

For the year ended 31 July 2018

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### ***a. General information and basis of accounting***

Chester Conferences Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 4.

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Chester Conferences Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Chester Conferences Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### ***b. Going concern***

Chester Conferences Limited's business activities, together with the factors likely to affect its future development, performance and position are set out in the director's report.

The directors have a reasonable expectation that the Company and Chester Conferences Limited have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### ***c. Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Following the amendments set out in the Financial Reporting Council's Triennial Review documents effective for accounting periods beginning on or after 1 January 2019, the Company has opted for early application of the amendment relating to Gift Aid payment as permitted by the guidance documents for FRS102 March 2018 edition.

These are the first financial statements prepared following the FRS102 March 2018 edition. Gift Aid payment to a charitable payment should now be disclosed through Statement of Changes in Equity.

In preparing the current year's financial statements, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the old FRS102 (March 2013 edition).

# Chester Conferences Limited

## Notes to the Financial Statements (continued)

For the year ended 31 July 2018

### **d. Turnover**

Turnover represents the amounts (excluding value added tax) derived wholly from the provision of conference and course facilities during the year.

### **e. Fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	-	4 years (25% per annum)
Buildings	-	25 years (4% per annum)

## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Due to the nature of the operations undertaken by the Company, the directors do not consider there to be any key sources of estimation uncertainty or critical judgements in the amounts recognised in the financial statements.

## **3. Turnover**

An analysis of the Chester Conferences Limited's turnover by class of business is set out below.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Turnover:		
Sales - Residential	934,899	894,482
Sales - Other	93,738	167,742
	<u>1,028,637</u>	<u>1,062,224</u>

## **4. Net interest receivable**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other interest receivable and similar income	512	372
	<u>512</u>	<u>372</u>

# Chester Conferences Limited

## Notes to the Financial Statements (continued)

For the year ended 31 July 2018

### 5. Profit/(Loss) on ordinary activities before taxation

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual accounts	4,800	6,365
Depreciation	400	400
Fees payable for 2016-17 account	2,160	-
Non Audit fees	2,084	-
	<u>          </u>	<u>          </u>

### 6. Taxation

The tax charge comprises:

	2018 £	2017 £
Current tax on profit/(loss) on ordinary activities	-	-
UK corporation tax	-	-
	<u>          </u>	<u>          </u>

#### Factors affecting the tax charge for the current year:

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

	2018 £	2017 £
<b>Current tax reconciliation</b>		
Profit/(loss) on ordinary activities before tax	<u>289,433</u>	<u>513,468</u>
Current tax at 19% (2017: 19.67%)	<u>(54,992)</u>	<u>(100,999)</u>
<b>Effects of:</b>		
Fixed asset differences	76	
Adjust opening deferred tax to average rate of 19%	306	
Deferred tax not recognised	2,606	
Gift Aid to be paid after the year end	<u>(57,980)</u>	<u>(100,999)</u>
Total current tax charge (see above)	<u>nil</u>	<u>nil</u>

# Chester Conferences Limited

## Notes to the Financial Statements (continued)

For the year ended 31 July 2018

### 7. Tangible fixed assets

	Buildings (freehold) £	Fixtures & fittings £	Total £
<b>Cost</b>			
At beginning of year and end of year	10,026	62,050	72,076
<b>Depreciation</b>			
At 31 July 2017	8,159	62,050	70,209
Charge for year	400	-	400
At 31 July 2018	8,559	62,050	70,609
<b>Net book value</b>			
At 31 July 2018	1,467	-	1,467
At 31 July 2017	1,867	-	1,867

### 8. Debtors – Amounts falling due within one year

	2018 £	2017 £
Trade debtors	61,016	130,175
Amounts owed by the University of Chester	58,869	0
Prepayments and accrued income	492,416	454,353
	<u>612,301</u>	<u>584,528</u>

### 9. Creditors– amounts falling due within one year

	2018 £	2017 £ (restated)
Payments received on account	0	18,507
Trade creditors	61,599	27,201
Amounts owed to the University of Chester	344,259	304,176
Other taxation and social security	222,247	56,492
Accruals and deferred income	87,382	19,354
	<u>715,487</u>	<u>425,730</u>

# Chester Conferences Limited

## Notes to the Financial Statements (continued)

For the year ended 31 July 2018

### 10. Called-up share capital and reserves

	2018 £	2017 £
Allotted, called-up and fully-paid 5 ordinary shares of £1 each	5	5

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

- The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.
- The profit and loss reserve represents cumulative profits or losses,

### 11. Ultimate holding Company

The ultimate holding institution is the University of Chester, Parkgate Road, Chester, CH1 4BJ which is a charity registered in the United Kingdom. University of Chester Limited is the parent undertaking of the largest and smallest group which consolidates these accounts and of which the company is a member.

### 12. Remuneration of directors

The directors received no remuneration during the current or prior year.

### 13. Staff numbers and costs

The average number of persons employed by the company during the year (excluding directors), analysed by category, was as follows:

	Number of employees	
	2018	2017
Administration	2	2

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 £
Wages and salaries	46,605	56,965
Social security costs	4,500	5,379
Pension	8,525	9,264
	59,630	71,608

### 14. Related party transactions

The Board of Directors are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it. The Board then considers the financial effect of the relevant transactions, in accordance with the University of Chester's Financial Regulations.

There were no related party transactions for the year ended 31 July 2018.

# Chester Conferences Limited

## Notes to the Financial Statements (continued)

For the year ended 31 July 2018

### 15. Prior Year Adjustment

For the financial year ending 31<sup>st</sup> July 2017, the gift aid payable was accrued, even though it was not paid to the University until the following financial year. As there is no deed of covenant in place, gift aid should be accounted for in the year which it is paid as there was no legal obligation at the 31<sup>st</sup> July 2017 that the payment would be made. In prior years, it had been incorrectly recorded within admin expenses. Whilst restating, the company has chosen to early adopt the changes following the FRS102 triennial review. The impact on prior year reserves is as follows;

	£
Profit and Loss account as at 31 <sup>st</sup> July 2017, as previously reported	18,876
Gift Aid charge movement to year ending 31 <sup>st</sup> July 2018	565,892
Profit and Loss account for the year after prior period adjustment	<u>584,768</u>
	£
Admin expenses as at 31 <sup>st</sup> July 2017, as previously reported	813,013
Gift Aid charge movement to year ending 31 <sup>st</sup> July 2018	565,892
Admin expenses for the year after prior period adjustment	<u>247,121</u>
	£
Creditors as at 31 <sup>st</sup> July 2017, as previously reported	991,622
Gift Aid charge movement to year ending 31 <sup>st</sup> July 2018	565,892
Creditors for the year after prior period adjustment	<u>425,730</u>
	£
Profit as at 31 <sup>st</sup> July 2017, as previously reported	(52,424)
Gift Aid charge movement to year ending 31 <sup>st</sup> July 2018	565,892
Profit for the year after prior period adjustment	<u>513,468</u>



## **Chester Conferences Limited**

### **Notes to the Financial Statements (continued)**

For the year ended 31 July 2018

	£
Profit and Loss account as at 31 <sup>st</sup> July 2016, as previously reported	71,305
Gift Aid charge movement to year ending 31 <sup>st</sup> July 2017	439,020
Profit and Loss account for the year after prior period adjustment	<u>510,325</u>