

Derby College Limited

Directors' report and accounts

Registered number 2722280

31 July 2013

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Company information

Directors	J Coyne H D Punchihewa
Secretary	S J Ambler
Auditors	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH
Bankers	Barclays Bank plc Sir Frank Whittle Road Derby DE21 4RX
Solicitors	Eversheds 1 Royal Standard Place Nottingham NG1 6FZ
Registered office	Kedleston Road Derby DE22 1GB

Directors' report

The directors present their report, together with the audited accounts for the year ended 31 July 2013

Principal activity

The company's principal activity is the development and leasing of buildings and land within the estate of the University of Derby, including the management of the student car park

Review of the business

The loss for the year was £495,303. The directors do not recommend the payment of any dividend. The University of Derby has confirmed that it will not require repayment of any loan or intercompany balance within twelve months of the approval of these accounts.

Charitable donations

Each year, the company makes provision for payment of its taxable profit to its parent undertaking under a Deed of Covenant arrangement. During the year, an amount of £640,216 was provided (2012: £618,389).

Board of directors

The directors who served during the year and up to the date of signature of these accounts were
HD Punchihewa
J Coyne

None of the directors has any beneficial interest in the share capital of the company.

Elective resolutions

The company passed elective resolutions on 8 April 1994 dispensing with the need to lay accounts before the company in general meeting, to hold annual general meetings and to appoint auditors annually.

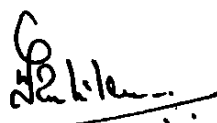
Disclosure of information to auditors

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 auditors are unaware, and each director has taken all the steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Re-appointment of Auditors

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

By order of the board


HD Punchihewa

Director

25 October 2013

Statement of director's 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)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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.

KPMG LLP

Independent auditor's report to the members of Derby College Limited

We have audited the financial statements of Derby College Limited for the year ended 31st July 2013 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

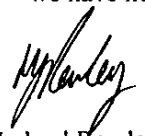
Opinion on other matter prescribed by the Companies Act 2006

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.


Michael Rowley (Senior Statutory Auditor)
for and on behalf of KPMG LLP Statutory Auditor
Chartered Accountants

9 January 2014

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Profit and loss account
for the year ended 31 July 2013

	<i>Notes</i>	2013 £	2012 £
Turnover	2	431,579	212,838
Administrative expenses (see footnote)		(738,273)	(779,293)
Operating loss		(306,694)	(556,455)
Interest payable and similar charges	4	(188,609)	(192,406)
Loss on ordinary activities before taxation	5	(495,303)	(758,861)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	12	(495,303)	(758,861)

In both the current and preceding years, the company made no material acquisitions and had no discontinued operations

There were no recognised gains or losses in either the current or preceding years other than those disclosed in the profit and loss account

Footnote – *Administrative expenses includes a provision for a Deed of Covenant payment to the parent undertaking of £640,216 (2012 £618,389)*

Balance sheet
as at 31 July 2013

	Notes	£	2013 £	£	2012 £
Current assets					
Debtors	7	5,072		3,281	
Investments	8	127,418		628,353	
Cash at bank		511		1,724	
		<u>133,001</u>		<u>633,358</u>	
Creditors: amounts falling due within one year	9	<u>(1,531,171)</u>		<u>(1,392,998)</u>	
Net current liabilities			(1,398,170)		(759,640)
Due within one year		(1,525,588)		(899,509)	
Due after more than one year		127,418		139,869	
Total assets less current liabilities			(1,398,170)		(759,640)
Creditors: amounts falling due after more than one year	10		(5,617,850)		(5,761,077)
Net liabilities			(7,016,020)		(6,520,717)
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		(7,016,022)		(6,520,719)
Equity shareholder's deficit	13		(7,016,020)		(6,520,717)

These accounts were approved by the board of directors on 25 October 2013 and were signed on its behalf by


H.D. Punchihewa
Director

Notes

(forming part of the accounts)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Accounting convention

The accounts are prepared in accordance with applicable UK accounting standards and the historical cost accounting rules

Going concern

The company has contracts in place with the University of Derby in respect of its operational properties and it is in the interests of the group that these contracts continue

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements

The ultimate parent undertaking, the University of Derby, has confirmed that it will continue to support the company for the foreseeable future

Finance leases

The income from properties held by customers under finance leases is allocated to accounting years to provide a constant rate of return on funds invested, and the capital element of future rentals is included within current assets

Cash flow statement

The accounts of the ultimate parent undertaking include a consolidated cash flow statement. Consequently, in accordance with FRS 1 (revised), the company is exempt from the requirement to prepare a cash flow statement

Related party disclosures

As the company is a wholly owned subsidiary of the University of Derby, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated accounts of the University of Derby, within which the company is consolidated, can be obtained from the address given in note 16 of these accounts. There are no other related party transactions

Deferred taxation

Provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

Operating Leases

Rental payments made under operating leases are charged to the profit and loss account over the period of the lease

Notes (continued)

2 Turnover

Turnover, which is stated net of value added tax, represents gross earnings under finance leases, and income from the management of car parking facilities at the University of Derby

3 Directors' emoluments and staff costs

There were no persons specifically employed by the company during the year and no remuneration was paid to any of the directors (2012 £nil)

4 Interest payable and similar charges

	2013 £	2012 £
Interest payable to group undertakings	188,609	192,406

5 Loss on ordinary activities before taxation

	2013 £	2012 £
<i>This is stated after charging</i>		
Deed of Covenant payment	640,216	618,389
Auditor's remuneration - for audit services	2,364	2,700
- for non-audit services	2,175	2,100
Operating Lease Rentals	13,020	14,520

6 Taxation

The company pays over the whole of its taxable profit to its parent undertaking, the University of Derby, under a Deed of Covenant, a contractual arrangement which is likely to remain in place for the foreseeable future. The company, therefore, has no taxable profit or tax charge for the year. The tax assessed for the year is higher than the standard rate of corporation tax in the UK for small companies (23.67%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before taxation	(495,303)	(758,861)
Loss on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 23.67% (2012: 20%)	(117,217)	(192,245)
Effects of:		
Capital allowances for year in excess of depreciation	(585)	(834)
Increase in other timing differences	118,550	193,079
Group relief surrendered	(748)	(-)
Current tax charge for the year	-	-

Notes (continued)

7 Debtors

	2013 £	2012 £
Social Security and other taxes	2,166	-
Prepayments and accrued income	2,906	3,281
	<hr/> 5,072	<hr/> 3,281
	<hr/> <hr/>	<hr/> <hr/>

8 Investments

	2013 £	2012 £
<i>Net investments in finance leases</i>		
Due within one year	127,418	488,484
Due after more than one year	-	139,869
	<hr/> 127,418	<hr/> 628,353
	<hr/> <hr/>	<hr/> <hr/>

The aggregate rentals receivable under finance leases in the year amounted to £812,500 (2012 £812,500)

9 Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	1,525,788	1,384,978
Social Security and other taxes	-	3,309
Accruals and deferred income	5,383	4,711
	<hr/> 1,531,171	<hr/> 1,392,998
	<hr/> <hr/>	<hr/> <hr/>

10 Creditors amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	5,617,850	5,761,077
	<hr/>	<hr/>

The amounts owed to group undertakings are repayable with twelve months notice and are subject to interest at 2% above base

Notes (continued)

11 Share capital

	2013 £	2012 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

12 Profit and loss account

	2013 £	2012 £
Balance at 1 August	(6,520,719)	(5,761,858)
Loss for the year	(495,303)	(758,861)
	<u> </u>	<u> </u>
Balance at 31 July	(7,016,022)	(6,520,719)
	<u> </u>	<u> </u>

13 Reconciliation of movement in equity shareholder's deficit

	2013 £	2012 £
Loss for the year	(495,303)	(758,861)
Equity shareholder's deficit at 1 August	(6,520,717)	(5,761,856)
	<u> </u>	<u> </u>
Equity shareholder's deficit at 31 July	(7,016,020)	(6,520,717)
	<u> </u>	<u> </u>

14 Lease commitments

	2013 £	2012 £
Annual commitments arising in respect of land & buildings on operating leases Expiring after 5 years	13,020	14,520
	<u> </u>	<u> </u>

15 Holding company

The company is a wholly owned subsidiary of University of Derby (Holdings) Limited, a company registered in England and Wales

16 Ultimate parent undertaking

The company's ultimate parent undertaking and controlling party is the University of Derby. Copies of the ultimate parent company's consolidated accounts can be obtained from the Secretary at Kedleston Road, Derby DE22 1GB. The University has indicated that it does not intend to require repayment of any intercompany balance or other loan within twelve months from the signature date of these accounts.