

AdsFab Limited

Directors' report and financial statements

for the year ended 31 July 2010

Registered number 4179561

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AdsFab Limited

(Registered number 4179561)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 July 2010

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AdsFab Limited – Registered number 4179561

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 July 2010

Principal activities

The Company's principal activity is the operation of an advertising agency for the higher and further education sectors

Review of results

The year ended 31 July 2010 has been a further difficult year for the Company with a 35% decline in turnover reflecting the weak economic climate

The Company reports an operating loss of £111,708 (2009 - profit of £56,406) Last year the Company made payments of £71,746 to charitable bodies under a Deed of Covenant This year no payments will be made

Post Balance Sheet event

On 30 September 2010 the business of AdsFab Limited was transferred to 360 AdsFab Limited under an asset sale agreement The assets transferred comprised the fixed assets of the Company having a net book value of £7,568 at the date of transfer. All AdsFab Limited staff have been transferred which will enable continuity of existing contracts and client relations

The trade debtors and trade creditors at the date of transfer will be collected and settled by AdsFab Limited, following which the Company will cease to trade.

Dividend

The directors do not recommend the payment of a dividend

Fixed assets

Movements in the fixed assets of the Company are shown in note 6 to the financial statements

AdsFab Limited – Registered number 4179561

DIRECTORS' REPORT (continued)

Directors and their interests

The directors of the Company during the year were as follows

S Palmer (Chair)
J Baldwin
R A Drinkwater
I P Rowley
A Charnock
J Boyd

None of the directors of the Company held any beneficial interest in the Company's share capital at 31 July 2010 or at any time during the year then ended

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 he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

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)

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

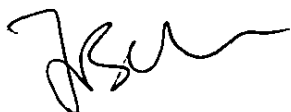
statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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.

Auditors' reappointment

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



J F BALDWIN
Secretary

University House
University of Warwick
Coventry
CV4 8UW

Date: 21 October 2010

KPMG LLP

Independent auditors' report to the members of AdsFab Limited

We have audited the financial statements of AdsFab Limited for the year ended 31 July 2010 set out on pages 6 to 15. 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 sections 495 and 496 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement 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 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/UKNP

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 2010 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

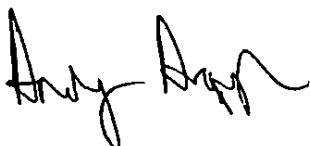
Opinion on other matter prescribed by the Companies Act 2006

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



Andy Argyle (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

21 October 2010

AdsFab Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2010

	<i>Notes</i>	2010 £	2009 £
Turnover	2	3,573,669	5,487,379
Cost of sales		(3,310,781)	(4,979,266)
Gross profit		262,888	508,113
Distribution costs		(7,497)	(7,299)
Administrative expenses		(367,099)	(444,408)
Operating (loss)/profit	3	(111,708)	56,406
Interest receivable and other income		2,626	23,749
(Loss)/profit on ordinary activities before taxation		(109,082)	80,155
Taxation	5	-	-
(Loss)/profit on ordinary activities after taxation		(109,082)	80,155
Deed of covenant payable		2,888	(71,746)
(Loss)/profit for the financial year		(106,194)	8,409

The results for the year include all recognised gains and losses

Notes to the financial statements are shown on pages 10 to 15

All activities during the year are continuing

AdsFab Limited

BALANCE SHEET **as at 31 July 2010**

	<i>Notes</i>	2010	2009
		£	£
Tangible fixed assets	<i>6</i>	7,568	15,354
Current assets			
Debtors amounts falling due within one year	<i>7</i>	610,481	1,024,150
Cash at bank and in hand		22,542	53,635
		633,023	1,077,785
Creditors amounts falling due within one year	<i>8</i>	(488,904)	(835,258)
Net current assets		144,119	242,527
Net assets		151,687	257,881
Capital & reserves			
Called up share capital	<i>10</i>	305,100	305,100
Profit and loss account	<i>11</i>	(153,413)	(47,219)
		151,687	257,881

These financial statements were approved by the Board of directors on 21 October 2010 and were signed on its behalf by



J F BALDWIN
Director

Notes to the financial statements are shown on pages 10 to 15

AdsFab Limited

CASH FLOW STATEMENT for the year ended 31 July 2010

	<i>Notes</i>	2010 £	2009 £
Net cash inflow from operating activities	(i)	5,139	61,404
Returns on investments and servicing of finance	(ii)	(36,232)	13,749
Capital expenditure	(ii)	-	(22,702)
(Decrease)/increase in cash		<u>(31,093)</u>	<u>52,451</u>

Reconciliation of net cash flow to movement in net funds (note iii)

	2010 £	2009 £
(Decrease)/increase in cash	(31,093)	52,451
Net funds at 1 August	53,635	1,184
Net funds at 31 July	<u>22,542</u>	<u>53,635</u>

AdsFab Limited

NOTES TO THE CASH FLOW STATEMENT – 31 JULY 2010

(i) Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2010 £	2009 £
Operating (loss)/profit	(111,708)	56,406
Depreciation charge	7,786	8,541
Decrease in debtors	420,149	551,787
Decrease in creditors	(311,088)	(555,330)
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>5,139</u>	<u>61,404</u>

(ii) Gross Cash Flows

	2010 £	2009 £
<u>Returns on investments and servicing of finance</u>		
Interest received	2,626	23,749
Deed of covenant payments	(38,858)	(10,000)
	<hr/>	<hr/>
	<u>(36,232)</u>	<u>13,749</u>
<u>Capital expenditure</u>		
Payments to acquire tangible fixed assets	-	(22,702)
	<hr/>	<hr/>
	<u>-</u>	<u>(22,702)</u>

(iii) Analysis of changes in net funds

	At 1 August 2009 £	Cash flows £	At 31 July 2010 £
Cash at bank and in hand	53,635	(31,093)	22,542
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AdsFab Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

As explained in the Directors' Report, on 30 September 2010 the business of AdsFab Limited was transferred to 360 AdsFab Limited under an asset sale agreement. The financial statements have therefore been prepared on a going concern basis. Had the accounts been prepared on a break-up basis, no adjustments would have been necessary to the amounts at which the remaining net assets are included in these financial statements.

Recognition of income

Income from services rendered is included to the extent of completion of the contract or services concerned and is measured at the fair value of the consideration receivable.

Depreciation

Depreciation is provided on assets so as to write off their cost over their estimated useful lives, in equal annual instalments.

The applied rates are.

Computer equipment	33% per annum
Other equipment	20% per annum
Fixtures and fittings	20% per annum

Pensions

AdsFab Limited does not operate a company pension scheme. All employees are entitled to join the stakeholder pension scheme operated by the University of Warwick. Employer contributions are payable to personal pension schemes of the employees, and the stakeholder pension scheme if applicable.

Deferred Tax

No provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to charitable bodies and therefore no deferred tax asset or liability will be realised in the company.

2. TURNOVER

Turnover arises in the United Kingdom and is attributable to a single class of business – the operation of an advertising agency for the higher and further education sectors.

3. OPERATING LOSS/PROFIT

	2010 £	2009 £
This has been arrived at after charging		
Auditor's remuneration – audit	5,800	5,650
Depreciation - owned assets (note 6)	7,786	8,541
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AdsFab Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010 (continued)

4. STAFF COSTS

	2010 £	2009 £
Employees' remuneration and related costs during the year amounted to.		
Wages and salaries	216,209	234,563
Social security costs	20,988	23,422
Other pension costs	5,253	6,046
	<u>242,450</u>	<u>264,031</u>

The average number of persons (excluding directors) employed during the period was 7 (2009 – 8). No directors have received any fee or remuneration for their services during the period. Directors' and officers' liability insurance amounting to £1,260 (2009 - £1,470) has been paid by the University of Warwick on behalf of the directors. Under company law, the remuneration of all directors falls to be disclosed within the band £nil - £5,000.

5. TAXATION

The tax charge for the period is £nil (2009 - £nil).

6. TANGIBLE FIXED ASSETS

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
As at 1 August 2009	74,947	9,820	84,767
Additions	-	-	-
As at 31 July 2010	<u>74,947</u>	<u>9,820</u>	<u>84,767</u>
Depreciation			
As at 1 August 2009	59,812	9,601	69,413
Charge for the year	7,567	219	7,786
As at 31 July 2010	<u>67,379</u>	<u>9,820</u>	<u>77,199</u>
Net book value			
As at 31 July 2010	<u>7,568</u>	<u>-</u>	<u>7,568</u>
As at 31 July 2009	<u>15,135</u>	<u>219</u>	<u>15,354</u>

AdsFab Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010 (continued)

7. DEBTORS

	2010	2009
	£	£
Trade debtors	269,549	463,857
Amount due from the University of Warwick	225,366	521,730
VAT repayable	108,058	33,451
Other debtors and prepayments	7,508	5,112
	<u>610,481</u>	<u>1,024,150</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	19,920	148,925
Amount due to the University of Warwick	-	124,637
Amount due to fellow subsidiaries	323	1,559
Accruals	468,661	560,137
	<u>488,904</u>	<u>835,258</u>

9. DEFERRED TAXATION

As explained in the accounting policies note, no provision has been made for deferred tax on the grounds that the Company transfers its taxable profits by deed of covenant to charitable bodies and therefore no deferred tax asset or liability will be realised in the Company

The tax assessed for the year is lower than the composite standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below:

	2010	2009
	£	£
(Loss)/profit on ordinary activities before tax	<u>(109,082)</u>	<u>80,155</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	<u>(30,543)</u>	<u>22,443</u>
<i>Effects of</i>		
Expenses not deductible for tax purposes	10	-
Depreciation in excess of capital allowances	383	145
Unrelieved tax losses	30,150	(2,499)
Deed of covenant	-	(20,089)
Current tax charge for the year (note 5)	<u>-</u>	<u>-</u>

AdsFab Limited**NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010 (continued)****10. SHARE CAPITAL**

	2010 and 2009	
	Authorised	Issued & fully paid
	£	£
Class A Shares £1 ordinary voting	51	51
Class B Shares £1 ordinary voting	49	49
Class C Shares £1 ordinary non-voting	400,000	305,000
	<u>400,100</u>	<u>305,100</u>

11. PROFIT AND LOSS ACCOUNT

	2010	2009
	£	£
As at 1 August	(47,219)	(55,628)
Retained (loss)/profit for the year	<u>(106,194)</u>	<u>8,409</u>
As at 31 July	<u>(153,413)</u>	<u>(47,219)</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Retained (loss)/profit for the year	<u>(106,194)</u>	<u>8,409</u>
Net(decrease)/increase in shareholders' funds	(106,194)	8,409
Opening shareholders' funds	257,881	249,472
Closing shareholders' funds	<u>151,687</u>	<u>257,881</u>

13. PENSIONS

The pension costs charged to the profit and loss account during the year under review were £5,253 (2009 £6,046) and represent the amounts paid into the employees' personal pension schemes.

AdsFab Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010 (continued)

14. ULTIMATE PARENT ENTITY

The ultimate parent entity and controlling party is the University of Warwick, which is the parent undertaking which consolidates the group accounts. The consolidated parent accounts can be obtained from the principal place of business at University of Warwick, Coventry, CV4 8UW.

15. RELATED PARTY DISCLOSURES

The following full members of the Universities Advertising Group are deemed to be related parties due to the fact that they are full members of UAG Limited, a company limited by guarantee which holds 49% of the voting shares in AdsFab Limited

University of Sheffield
University of Salford
University of Durham
University of Wales, Swansea
University of Surrey
University of Sussex
University of Essex
University of Exeter
University of Kent
University of Gloucestershire
University of Wales, Bangor
University of Reading
University of Oxford
University of Nottingham
University of Cambridge
University of Edinburgh
University of Manchester

The total value of sales to the above related parties during the period was £1,450,490 (2009 - £1,921,151) of which £86,005 was outstanding as at 31 July 2010 (2009 - £200,835). All transactions were in respect of advertising services carried out by AdsFab Limited.

The University of Warwick, which holds 51% of the voting shares in AdsFab Limited, is the controlling party of AdsFab Limited. The total value of sales to the University of Warwick and fellow subsidiaries during the year was £404,754 (2009 - £703,158) of which £nil was outstanding as at 31 July 2010 (2009 - £nil). The total value of purchases from the University of Warwick and fellow subsidiaries during the year was £162,551 (2009 - £240,417) in respect of recharges and administration costs (excluding staff costs referred to in note 4), of which £323 was outstanding at 31 July 2010 (2009 - £126,196).

AdsFab Limited

NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2010 (continued)

16. FINANCIAL COMMITMENTS

At 31 July, the Company had annual commitments under non-cancellable operating leases as follows

	2010	2009
	£	£
Expiring within one year	-	3,006