

**AUB SERVICES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2013**

**COMPANY NUMBER 3334141**





**INDEX**

	<b>Page</b>
Directors and advisers	1
Directors' Report	2-3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7-12

**DIRECTORS AND ADVISERS**

**Directors**

Professor Stuart Bartholomew  
Mr R Laughton CBE  
Mr T O'Rourke MBE

**Secretary**

Dr B O'Neil

**Auditors**

KMPG LLP  
Dukes Keep  
Marsh Lane  
Southampton  
Hampshire  
SO14 3EX

**Bankers**

Lloyds TSB Bank PLC  
45/47 Old Christchurch Road  
Bournemouth  
Dorset  
BH1 1ED

**Registered Office**

Fern Barrow  
Wallisdown  
Poole  
BH12 5HH

**DIRECTORS' REPORT**

The directors of AUB Services Limited are pleased to present their report and audited financial statements for the year ended 31 July 2013

**Principal activities**

The Company's principal activity is the management of the refectory building and the undertaking of other external services as they arise

**Review of developments and future prospects**

The company was established in March 1997 initially to provide library facilities to its parent company, The Arts University Bournemouth. At a Board meeting on 12 June 2009, the directors approved the transfer of the library activities and related staff and assets to the Arts University Bournemouth at the 31 July 2009. This was effected by means of a reduction in the issued share capital.

The directors have conducted a review of the company operations to confirm that the company is structured correctly to ensure fitness for purpose and is of benefit to the AUB group as a whole. The review resulted in the revision of the depreciation policy and the rental charges which has resulted in the company returning to profitability.

**Auditors**

All of the directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The Company's auditors are KPMG LLP. The Company has dispensed with the requirement to hold an Annual General Meeting.

**Post balance sheet events**

There have been no significant post balance sheet events.

**Directors**

The Directors who served during the year were as follows

Professor Stuart Bartholomew  
Roger Laughton CBE  
Terence O'Rourke MBE

**DIRECTORS' REPORT (continued)****Statement of the Directors' Responsibilities**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

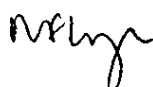
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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 have general responsibility for taking such steps as reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board by



**Mr Roger Laughton CBE**  
Director



**Professor Stuart Bartholomew**  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUB SERVICES LIMITED**

We have audited the financial statements of AUB Services Limited for the year ended 31 July 2013 set out on pages 5 to 12. 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 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 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 web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 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.



**Chris Wilson (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Dukes Keep  
Marsh Lane  
Southampton  
Hampshire  
SO14 3EX

27 November 2013

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013 £'000	2012 £'000
Turnover continuing operations			
Provision of services to the Arts University Bournemouth	2	55	55
Other operating income		-	-
		<hr/>	<hr/>
		55	55
Administrative expenses		50	105
		<hr/>	<hr/>
Operating profit (loss) continuing operations	3	5	(50)
Tax charge on ordinary activities	4	-	-
		<hr/>	<hr/>
Profit (loss) on ordinary activities after taxation	8	5	(50)
		<hr/>	<hr/>

There are no recognised gains and losses in the current and preceding year other than those recognised above accordingly no statement of recognised gains or losses is presented. There is no difference between the loss on ordinary activities before taxation of the retained loss for the financial year stated above and their historical cost equivalents.



**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013 £'000	2012 £'000
<b>Fixed Assets</b>			
Tangible assets	5	1,148	1,175
<b>Current Assets</b>			
Cash at bank and in hand		4	18
		<u>4</u>	<u>18</u>
<b>Creditors amounts falling due within one year</b>	6	(770)	(816)
		<u>(766)</u>	<u>(798)</u>
<b>Net Current Liabilities</b>			
<b>Net Assets</b>		<u>382</u>	<u>377</u>
<b>Capital and Reserves</b>			
Share capital	7	792	792
Profit and loss account	8	(410)	(415)
		<u>382</u>	<u>377</u>
<b>Shareholders' Funds</b>	9	<u>382</u>	<u>377</u>

The financial statements were approved and authorised for issue by the Directors on 27<sup>th</sup> November 2013 and signed on their behalf by



**Mr Roger Laughton CBE**  
 Director



**Professor Stuart Bartholomew**  
 Director

The notes on pages 7 to 12 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2013****1 Accounting Policies****Basis of preparation, accounting and consolidation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards

The financial statements are prepared in accordance with the historical cost convention

**Cash flow statement**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 "Cash flow Statements (Revised 1996)" not to prepare a cash flow on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by the Arts University Bournemouth and the company is included in consolidated financial statements

**Turnover**

Operating income is credited to the accounts in the period in which the service is delivered. All turnover is derived in the United Kingdom

**Tangible fixed assets and Government grants**

Assets acquired with the aid of specific grants are capitalised and depreciated in accordance with the policies set out below, with the related grant being credited to a deferred grant account and released to the income and expenditure account over the expected useful economic life of the related asset

**(a) Freehold land and buildings**

Freehold land and buildings are included in the balance sheet at the cost to the company. Freehold land is not depreciated but freehold buildings are depreciated over their useful economic life

Buildings are depreciated on a straight line basis as follows

Freehold buildings	-	50 years
Refurbishments	-	10 years

Buildings under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use

**(b) Computer and other equipment**

Computer and other equipment costing less than £1,000 per individual item are written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost

Equipment is depreciated on a straight line basis over its remaining useful economic life to the company, as follows

Computer equipment	-	3 years
Other equipment	-	5 to 10 years
Furniture	-	10 years

**Pension schemes**

Retirement benefits to employees of the company are provided by the Local Government Pension Scheme (LGPS). This is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme

Under the definitions set out in Financial Reporting Standard 17 'Retirement Benefits', the LGPS is a multi-employer pension scheme. AUB Services Limited is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, in line with the requirements of FRS 17, the company has accounted for its contributions as if it were a defined contribution scheme and therefore the charge in the profit and loss account represents the value of contributions in the year

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 JULY 2013****1 Accounting Policies (continued)****Taxation**

The company is subject to corporation tax and VAT as set out in UK law

**Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Going Concern**

The company continues to trade as a going concern and has net current liabilities of £766,067 as at 31 July 2013. The directors believe this company to be a going concern through the continued financial support from its parent company.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 JULY 2013**

**2 Provision of Services to the Arts University Bournemouth**

	2013 £'000	2012 £'000
Provision of other services	55	55
	<u>55</u>	<u>55</u>

The turnover of the company arises solely within the United Kingdom

**3 Operating Profit (Loss)**

This is arrived after charging

Depreciation of tangible fixed assets	27	37
Building repairs and maintenance	6	57
Auditors remuneration – audit services	2	1
	<u>27</u>	<u>95</u>

**4 Tax on Profit on Ordinary Activities**

United Kingdom Corporation Tax

Corporation tax charge for the year at 23 67% (2012 25 33%)

	-	-
Total current charge	<u>-</u>	<u>-</u>

There is no charge for the year. No deferred tax asset has been recognised in respect of losses as the full utilisation of any losses in the foreseeable future is uncertain.

The current tax charge for the year is lower than the standard rate of corporation tax for the reasons set out in the following

Tax on profit on ordinary activities at standard rate of 23 67% (2012 25 33%)	1	(13)
Factors affecting charge		
Depreciation in excess of capital allowances	(3)	(15)
Expenditure non deductible for tax purposes	1	14
Group relief surrendered	-	14
Losses not utilised	1	-
	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31 JULY 2013

5 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Assets Under Construction £'000	Computer Equipment £'000	Furniture & Other Equipment £'000	Total £'000
<b>Cost</b>					
At 1 August 2012	1,588	-	16	1	1,605
At cost	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfer	-	-	-	-	-
At 31 July 2013	1,588	-	16	1	1,605
<b>Depreciation</b>					
At 1 August 2012	415	-	15	-	430
Charge for period	26	-	1	-	27
Disposals	-	-	-	-	-
At 31 July 2013	441	-	16	-	457
<b>Net book value as at 31 July 2013</b>	<b>1,147</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,148</b>
Net book value as at 31 July 2012	1,173	-	1	1	1,175
Financed by capital grant	-	-	-	-	-
Other	1,147	-	-	1	1,148
<b>At 31 July 2013</b>	<b>1,147</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,148</b>

6 Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Accruals and deferred income	3	240
Amounts due to parent undertaking	767	576
	<b>770</b>	<b>653</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 JULY 2013**

<b>7 Called Up share Capital</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Authorised Ordinary shares of £1 each	1,382	1,382
	<hr/>	<hr/>
Called up, allotted and fully paid Ordinary shares of £1 each	792	792
	<hr/>	<hr/>
<b>8 Profit and Loss Account</b>		
As at 1 August 2012		(415)
Profit for the year		5
		<hr/>
As at 31 July 2013		(410)
		<hr/>
Any profits generated are gift aided to the Arts University Bournemouth under a Deed of Covenant		
<b>9 Reconciliation of Movement in Shareholder's Funds</b>		
Opening shareholder's funds	377	427
Reduction in share capital		
Net increase (reduction) to shareholder's funds	5	(50)
	<hr/>	<hr/>
Closing shareholder's funds	382	377
	<hr/>	<hr/>

**10 Pension and Other Similar Obligations**

The company's staff belong to the Local Government Pension Scheme (LGPS), a funded defined benefit scheme, with the assets held in separate trustee administered funds

Under the definitions set out in Financial Reporting Standard 17 'Retirement Benefits', the LGPS is a multi-employer pension scheme. AUB Services Ltd is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, in line with the requirements of FRS 17, the company has accounted for its contributions as if it were a defined contribution scheme and therefore the charge in the profit and loss account represents the value of contributions in the year. The contributions made to the scheme for the year ended 31 July 2013 are detailed in note 3 and the agreed contribution rates for future years are 14.1% for employers and 6.5% on average for employees.

The pensions cost is assessed every three years in accordance with the advice of a qualified independent actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2010
Actuarial method	Projected Unit
Investment returns per annum	6.6%
Pension increases per annum	3.0%
Salary scale increases per annum	5.0%
Market value of assets at the date of last valuation	£6,177m

The proportion of members' accrued benefits covered by the actuarial value of the assets is 87%.

An actuarial valuation has been undertaken as at 31 March 2013 but the results of said valuation won't be available at the earliest until spring 2014.

Pension scheme assets and liabilities have been accounted for in the financial statements of the Arts University Bournemouth, the company's parent company, and copies of these accounts are available from the address set out in note 13.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINTUED)  
FOR THE YEAR ENDED 31 JULY 2013****11 Capital Commitments**

At 31 July 2013 the company had outstanding capital commitments of £nil (2012 £nil)

**12 Related Party Transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by the Arts University Bournemouth on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements. No other related party transactions were entered into in the year ended 31 July 2013.

**13 Ultimate Controlling Party**

The Arts University Bournemouth is the ultimate controlling party through its interest in the share capital of the company. The Arts University Bournemouth prepares group financial statements which are available from

Arts University Bournemouth  
Wallisdown  
Poole  
Dorset  
BH12 5HH