

UL LEARNING RESOURCES LIMITED

FINANCIAL STATEMENTS

31 JULY 2011

**UL LEARNING RESOURCES LIMITED
TRUSTEES' AND DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

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UL LEARNING RESOURCES LIMITED TRUSTEES' AND DIRECTORS' REPORT

The trustees, who are also directors of the charity for the purposes of the Companies Act, present the annual report and the audited financial statements for the year ended 31 July 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

Constitution and Objects

The company is an exempt Charity and a registered Company number 3623911. Its governing documents are its Memorandum and Articles of Association. The company is limited by shares. The principal objects are to promote the advancement of education by the provision of learning facilities, other like facilities and services and funds for the educational and charitable needs or purposes of the University of Lincoln.

Principal policies to achieve objectives

To further these objects the company entered into a lease and leaseback arrangement with the University of Lincoln of the University's Science Building. The company also purchased an Equine Centre at the Riseholme Campus and the Architecture Building at the Brayford Campus. There has been no change in the principal objectives of the company during the year.

Business review and future developments

The statement of financial activities is set out on page 6.

The company's principal source of funding has been the lease of the Science Building to the University of Lincoln. In addition, the company leases the Equine Centre to Riseholme Park Farms Limited. In July 2010 the lease and leaseback arrangement in respect of the Science Building expired. It is intended to transfer the assets of the company to the University and wind up the company.

As a result the directors have prepared the financial statements on the basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

The University of Lincoln will continue to provide support for the foreseeable future.

Reserves

The company's reserve fund is unrestricted. This year the fund opened with a deficit of £2,740,612 and closed with a deficit of £3,016,777. This was due to the net outgoing resources from the current year being transferred directly into reserves. The continuing deficit is intended and will become extinguished in the future when the freeholds of the Architecture Building and Equine Centre are transferred to the University.

No dividend has been paid or is proposed.

Governance and internal control

The directors, who are also trustees, who held office since 1 August 2010 were as follows:

Professor Mary Stuart
University of Lincoln

Appointed 28 September 2010

**UL LEARNING RESOURCES LIMITED
TRUSTEES' AND DIRECTORS' REPORT**
(continued)

The University of Lincoln holds 100% of the ordinary share capital of the company.

All strategic and operating activities of the company, including recruitment, appointment, induction and training of trustees and all decision making are undertaken by the University of Lincoln, which is also a charity, regulated by the Higher Education Funding Council for England.

The company is administered by the finance department of the University of Lincoln.

The trustees have identified the major risks to which the company is exposed and systems have been established to mitigate those risks.

Public benefit

To further its charitable purpose, the company grants free use of the Architecture Building to the University of Lincoln.

Political and charitable contributions

The company made no political or charitable donations during the year (2010: £nil).

Liability insurance

During the year the company maintained liability insurance for its officers.

Principal advisers

Bankers	LloydsTSB 202 High Street Lincoln LN5 7AP
External auditors	Deloitte LLP 4 Brindley Place Birmingham B1 2HZ

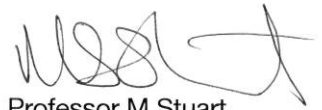
**UL LEARNING RESOURCES LIMITED
TRUSTEES' AND DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

Disclosure of information to auditors

At the date of making this report, each of the company's directors confirm the following:

- So far as the directors are aware, there is no relevant information needed by the company's auditor in connection with preparing their report of which the company's auditor is unaware, and
- The directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor are aware of that information.

By Order of the Board



Professor M Stuart
Director

Registered Office:
UL Learning Resources Limited
Company number: 3623911
Brayford Pool
Lincoln
LN6 7TS

21 November 2011

UL LEARNING RESOURCES LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of UL Learning Resources Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF UL LEARNING RESOURCES LIMITED

We have audited the financial statements of UL Learning Resources Limited for the year ended 31 July 2011 which comprise the accounting policies, statement of financial activities, balance sheet, and notes 1 to 18. 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).

This report is made solely to the charitable 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 charitable 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 charitable company's affairs as at 31 July 2011 and of its incoming resources and application of resources, including its income and expenditure, 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 requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
UL LEARNING RESOURCES LIMITED**

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime.

David Hall, FCA

David Hall FCA
Senior statutory auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, England

Date: *23 November 2011*

UL LEARNING RESOURCES LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2011

	2011	2010
	Unrestricted funds	Unrestricted funds
Note	£	£
Incoming resources		
Activities in furtherance of the charity's objects	2,000	159,320
Activities for generating funds:		
Investment income	<u>31</u>	<u>9</u>
Total incoming resources	<u><u>2,031</u></u>	<u><u>159,329</u></u>
Resources expended		
Costs of activities in furtherance of the charity's objects	(276,951)	(447,315)
Management and administration	<u>(1,245)</u>	<u>(1,284)</u>
Total resources expended	<u><u>(278,196)</u></u>	<u><u>(448,599)</u></u>
Net outgoing resources before transfers	(276,165)	(289,270)
Balance brought forward at 1 August	<u>(2,740,612)</u>	<u>(2,451,342)</u>
Balance carried forward at 31 July	<u><u>(3,016,777)</u></u>	<u><u>(2,740,612)</u></u>

All activities relate to discontinued operations.

There are no recognised gains or losses for the year other than those stated above; accordingly a statement of recognised gains and losses has not been included in the financial statements.

The notes on pages 8 to 13 form part of these financial statements.

UL LEARNING RESOURCES LIMITED
COMPANY NUMBER: 3623911
BALANCE SHEET AS AT 31 JULY 2011

	Note	2011		2010	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9		11,749,939		12,026,890
Current assets					
Debtors	10	167		254	
Cash at bank and in hand		<u>849</u>		<u>5,539</u>	
		1,016		5,793	
Creditors: Amounts falling due within one year	11		<u>(837,095)</u>		<u>(842,658)</u>
Net current liabilities			<u>(836,079)</u>		<u>(836,865)</u>
Total assets less current liabilities			<u>10,913,860</u>		<u>11,190,025</u>
Called up share capital	12		13,930,637		13,930,637
Unrestricted funds	13		<u>(3,016,777)</u>		<u>(2,740,612)</u>
Equity shareholders' funds	13		<u>10,913,860</u>		<u>11,190,025</u>

These financial statements are prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Trustees on 21 November 2011 and were signed on its behalf by:



Professor M Stuart
 Director

UL LEARNING RESOURCES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011
(continued)

1 Accounting policies

The following accounting policies have been applied consistently in the current and prior period in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in 2005 and under the historical cost accounting rules. The charity adapted the Companies Act formats to reflect the special nature of the charity's activities.

The company has also taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is a wholly owned subsidiary.

Going concern

It is intended to transfer the assets of the company to the University of Lincoln and wind up the company.

As a result the directors have prepared the financial statements on the basis other than going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Company status

The charity is a company limited by shares.

Incoming Resources

Incoming resources represents the amounts, excluding value added tax, derived from the provision of property letting during the year. All income is within the United Kingdom.

Fixed assets and depreciation

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:

Land and buildings - 2% per annum

Operating leases

Rental income and costs on operating leases are recognised in the Statement of Financial Activities in equal annual amounts over the period of the leases.

Taxation

The company is a registered charity and the financial statements are prepared on the basis that its activities are not liable to Income Tax or Corporation Tax.

UL LEARNING RESOURCES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011
(continued)

1 Accounting policies (continued)

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Note 5 of the 'Notes on the financial statements' shows a breakdown of items included in 'Management and administration'. These are costs which do not directly relate to the main activities of the company.

2 Activities in furtherance of the charity's objects

	2011	2010
	£	£
Property lease rental income	<u>2,000</u>	<u>159,320</u>

3 Investment income

	2011	2010
	£	£
Interest on short term deposits	<u>31</u>	<u>9</u>

4 Costs of activities in furtherance of the charity's objects

	2011	2010
	£	£
Property lease costs	-	170,365
Depreciation	<u>276,951</u>	<u>276,950</u>
	<u>276,951</u>	<u>447,315</u>

5 Management and Administration

	2011	2010
	£	£
Auditor's remuneration - external audit	1,000	1,170
Sundry expenses	<u>245</u>	<u>114</u>
	<u>1,245</u>	<u>1,284</u>

UL LEARNING RESOURCES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011
(continued)

6 Total resources expended

	Depreciation	Other direct costs	2011 Total	2010 Total
	£	£	£	£
Provision of learning facilities costs	276,951	-	276,951	276,950
Property leasing and licensing costs	-	-	-	170,365
Management and administration costs	<u>-</u>	<u>1,245</u>	<u>1,245</u>	<u>1,284</u>
	<u>276,951</u>	<u>1,245</u>	<u>278,196</u>	<u>448,599</u>

Other direct costs include:

	2011	2010
	£	£
Auditor's remuneration	1,000	1,170
Operating lease rentals	<u>-</u>	<u>170,365</u>

7 Remuneration of trustees

The trustees did not receive any remuneration from the company during the year (2010: £nil).

8 Employees

The company has no employees (2010: nil).

9 Tangible fixed assets

	Freehold land and buildings
	£
Cost	
At 1 August 2010 and 31 July 2011	<u>13,841,716</u>
Depreciation	
At 1 August 2010	1,814,826
Charge for the year	<u>276,951</u>
At 31 July 2011	<u>2,091,777</u>
Net book value at 31 July 2011	<u>11,749,939</u>
Net book value at 31 July 2010	<u>12,026,890</u>
All fixed assets are held for direct charitable purposes.	

Freehold land and buildings with a net book value of £9,691,391 are subject to a charge in respect of an external loan granted to the University of Lincoln.

UL LEARNING RESOURCES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011
(continued)

9 Tangible fixed assets (continued)

It is not practicable to quantify the difference between the carrying value and the market value of freehold land and buildings.

10 Debtors: amounts falling due within one year

	2011	2010
	£	£
Prepayments and accrued income	<u>167</u>	<u>254</u>

11 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	-	294
Amounts owed to the University of Lincoln	829,368	827,868
Taxation	6,476	13,041
Accruals and deferred income	<u>1,251</u>	<u>1,455</u>
	<u>837,095</u>	<u>842,658</u>

12 Called up share capital

	2011	2010
	£	£
Allotted, called up and fully paid Ordinary shares of £1 each	<u>13,930,637</u>	<u>13,930,637</u>

13 Statement of funds

a) Reconciliation of movements in equity shareholders' funds

	2011	2010
	£	£
Opening shareholders' funds	11,190,025	11,479,295
Net movement in funds for the year	<u>(276,165)</u>	<u>(289,270)</u>
Closing shareholders' funds	<u>10,913,860</u>	<u>11,190,025</u>

b) Unrestricted funds

Opening unrestricted funds	(2,740,612)	(2,451,342)
Net outgoing resources for the year	<u>(276,165)</u>	<u>(289,270)</u>
Closing unrestricted funds	<u>(3,016,777)</u>	<u>(2,740,612)</u>

There are no restricted funds.

UL LEARNING RESOURCES LIMITED
NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011
(continued)

14 Parent undertaking

The company is wholly owned by the University of Lincoln, a corporation set up in pursuance of the Education Reform Act 1988. Copies of the financial statements of the University of Lincoln may be obtained from the University.

15 Control of the company

Throughout the year, the company has been controlled by the directors, who are also the trustees.

16 Related Party Transactions

The company has taken advantage of the FRS8 exemption not to disclose related party transactions between group undertakings as these will be eliminated within the consolidated financial statements. The University of Lincoln produces publicly available consolidated financial statements.

17 Financial commitments

At 31 July 2011 the company had no annual commitments under non-cancellable operating leases (2010: £nil).

18 Analysis of net assets in unrestricted funds

	2011	2010
	£	£
Tangible fixed assets	11,749,939	12,026,890
Current assets	1,016	5,793
Current liabilities	<u>(837,095)</u>	<u>(842,658)</u>
Total net assets	<u>10,913,860</u>	<u>11,190,025</u>