

CARDIFF METROPOLITAN EDUCATION SERVICES (BEIJING) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017



Registered number 08846736

Cardiff Metropolitan Education Services (Beijing) Ltd

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Cardiff Metropolitan Education Services (Beijing) Ltd

Directors and advisers

Executive directors

J B Cappock MA, CPFA (resigned 31 Jul 2017)

Professor A J Chapman BSc, PhD,
C.Psychol., FBPSs, FRSA, AcSS
(resigned 31 Aug 2016)

Professor C Carmichael Aitchison MA(Hons),
PgDRLP, CertEd, MA, PhD, FAcSS, FRGS,
FHEA (appointed 1 Oct 2016)

Professor M Loutfi BSc, MSc, PhD

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

Company secretary

S D J Llewellyn, BSc (Econ), CPFA

Solicitors

Blake Morgan LLP
One Central Square
Cardiff
CF10 1FS

Bankers

National Westminster Bank plc
96 Queen Street
Cardiff
CF10 2GR

Registered office

Cardiff Metropolitan University
Central Management
Llandaff Campus
Western Avenue
Cardiff
CF5 2YB

Cardiff Metropolitan Education Services (Beijing) Ltd

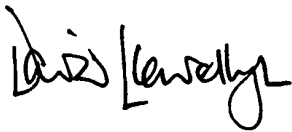
Strategic Report

Review of business

The Company achieved an operating profit before transfer under the Gift Aid scheme of £37,467 (2016: £20,619). This amount was transferred, under the Gift Aid scheme, to the parent company, resulting in a break-even position. This is in line with the financial projections for the year.

The company's business is well established and the directors do not feel that there are any particular risks or uncertainties that might affect future trading activity and volumes. It is anticipated that the company's principal activities and level of trading will remain constant in the short term.

Approved by the Board and signed by its order by

A handwritten signature in black ink, appearing to read 'S D J Llewellyn', is written over a horizontal line.

S D J Llewellyn
Company secretary
28th November 2017

Cardiff Metropolitan Education Services (Beijing) Ltd

Directors' report for the year ended 31 July 2017

The directors have pleasure in submitting to the members of Cardiff Metropolitan Education Services (Beijing) Ltd their annual report, together with the audited financial statements of the company for the year ended 31 July 2017.

Principal activities

The principal activities of the company are to develop strategic partnerships with Chinese institutions for joint research, staff and student exchange and joint programmes. It provides Cardiff Metropolitan University students, parents, agents and sponsors with professional help and advice. The company operates out of offices in Beijing and hosts its strategic partners, Cardiff & Vale College and Cardiff Business Council promoting the Cardiff & Wales brand in China. The operation in China is undertaken through a wholly owned subsidiary, Cardiff Metropolitan Education Consulting Service (Beijing) Ltd, which is incorporated under Chinese law as a wholly foreign owned entity (WFOE).

Review of business and future developments

The Company achieved an operating profit before transfer under the Gift Aid scheme of £37,467 (2016: £20,619). A transfer of £37,467 (2016: £20,619) under the Gift Aid scheme was made to the parent company, resulting in a break-even position for the financial year. This is in line with the financial projections for the year and is considered satisfactory. It is anticipated that the company's principal activity will remain constant in the short term.

Results

The Company achieved a break-even position for the financial year.

Directors

The directors of the company who were in office during the year and up to the date of signing of the financial statements, unless otherwise stated, are named on page 1.

Close company provisions

The company is not a close company as defined by the provisions of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

Employment

The company maintained no directly employed staff in either the current or prior year.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Cardiff Metropolitan Education Services (Beijing) Ltd

Directors' Report for the year ended 31 July 2017 (continued)

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company is part of the Cardiff Metropolitan University group which utilises appropriately termed debt finance that is designed to ensure the group as a whole has sufficient funds for operations.

Interest rate cash flow risk

The Cardiff Metropolitan University group has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise only cash balances, which earn interest at fixed and floating rates. The group has a policy of maintaining debt at fixed and floating rates to manage certainty of future interest cash flows. The directors will revisit the appropriateness of this arrangement should the company's operations change in size or nature.

Statement of directors' responsibilities

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 the directors have prepared 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of provision of information to auditors

In accordance with the Companies Act 2006, each director confirms, at the date of the Directors' Report, that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and

Cardiff Metropolitan Education Services (Beijing) Ltd

Directors' Report for the year ended 31 July 2017 (continued)

- the directors have taken all steps that they ought to have taken, in their duty as director, in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Approved by the Board and signed by its order by

S D J Llewellyn
Company secretary
28th November 2017

Cardiff Metropolitan Education Services (Beijing) Ltd

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARDIFF METROPOLITAN EDUCATION SERVICES (BEIJING) LTD

Report on the financial statements

Opinion

In our opinion, Cardiff Metropolitan Education Services (Beijing) Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 July 2017; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARDIFF METROPOLITAN EDUCATION SERVICES (BEIJING) LTD (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Cardiff Metropolitan Education Services (Beijing) Ltd

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARDIFF METROPOLITAN
EDUCATION SERVICES (BEIJING) LTD (continued)**

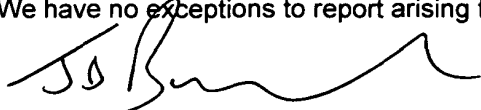
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Bound (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

4 December 2017

Cardiff Metropolitan Education Services (Beijing) Ltd**Statement of Income & Retained Earnings
for the year ended 31 July 2017****Registered number : 08846736**

	Note	2017 £	2016 £
Continuing operations			
Turnover	2	387,315	261,575
Operating expenses		<u>(349,848)</u>	<u>(240,956)</u>
Operating profit		37,467	20,619
Gift Aid payment to Cardiff Metropolitan University		(37,467)	(20,619)
Result for the financial year		<u><u>0</u></u>	<u><u>0</u></u>
 Retained earnings at the beginning of the year		 0	 0
 Result for the financial year		 0	 0
Retained earnings at the end of the year		<u><u>0</u></u>	<u><u>0</u></u>

The company has no recognised gains or losses (2016: Nil) other than those included above.

There is no material difference (2016: Nil) between the profit before gift aid and the result for the year stated above and both their historical cost equivalents.


All results derive from continuing operations.

Cardiff Metropolitan Education Services (Beijing) Ltd**Balance Sheet
as at 31 July 2017****Registered number : 08846736**

	Note	2017 £	2016 £
Current assets			
Debtors	4	17,875	21,520
Cash at bank and in hand		<u>84,327</u>	<u>112,778</u>
		102,202	134,298
Creditors: amounts falling due within one year	5	(102,200)	(134,296)
Net current assets		<u>2</u>	<u>2</u>
Net assets		<u><u>2</u></u>	<u><u>2</u></u>
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account		-	-
Total shareholders' funds		<u><u>2</u></u>	<u><u>2</u></u>

The financial statements on pages 9 to 13 were approved by the board of directors on 28th November 2017 and were signed on its behalf by:

Professor C Carmichael Aitchison
Company Director
28th November 2017



Cardiff Metropolitan Education Services (Beijing) Ltd

Notes to the financial statements for the year ended 31 July 2017

1 Principal accounting policies

The financial statements have been prepared on the going concern basis in compliance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the Companies Act 2006. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Consolidation

The company has not prepared consolidated financial statements as it is itself a wholly owned subsidiary of Cardiff Metropolitan University.

Turnover

Turnover is included to the extent of the completion of the contract or service rendered. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contribution towards overhead costs.

Cash flows

The company has taken advantage of the exemption under FRS 102, paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent, Cardiff Metropolitan University, includes the company's cash flows in its own consolidated financial statements.

Taxation

No charge for taxation has been included in respect of the activities of the company since the entire taxable profit of the company is transferred to the parent company under the Gift Aid scheme.

Cardiff Metropolitan Education Services (Beijing) Ltd

Notes to the financial statements for the year ended 31 July 2017 (continued)

2 Turnover

Turnover consists entirely of sales made from the Subsidiary to Cardiff Metropolitan University.

3 Employee information and directors – remuneration

The company does not employ any staff under contracts of service. No director received any remuneration in respect of his services as a director of the company.

4 Debtors	2017 £	2016 £
Prepayments and accrued income	<u>17,875</u>	<u>21,520</u>
5 Creditors: amounts falling due within one year	2017 £	2016 £
Amounts owed to parent undertaking	57,467	40,620
Taxation and social security	22,412	14,060
Accruals and Deferred Income	<u>22,321</u>	<u>79,616</u>
	<u>102,200</u>	<u>134,296</u>

The amounts owed to the parent undertaking is interest free, unsecured and repayable on demand.

Cardiff Metropolitan Education Services (Beijing) Ltd

Notes to the financial statements for the year ended 31 July 2017 (continued)

6	Called up share capital	2017 £	2016 £
	Authorised		
	100 (2016:100) ordinary shares of £1 each	100	100
		<hr/>	<hr/>
	Allotted and fully paid		
	Ordinary shares of £1 each	2	2
		<hr/>	<hr/>

7 Immediate and ultimate controlling party

The whole of the beneficial interest in the share capital of the company is held by the Cardiff Metropolitan University a body incorporated as a result of the Education (Higher Education Corporations) (Wales) Order 1991. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Cardiff Metropolitan University, Central Management, Llandaff Campus, Western Avenue, Cardiff CF5 2YB. That is the largest and smallest group in which the results of the company are consolidated.

8 Related party transactions

In accordance with paragraph 33.1A of FRS 102, the company does not need to disclose related party transactions as the results of the company are included in the consolidated financial statements prepared by the parent undertaking. There were no transactions with other related parties that require disclosure.