

UAL SHORT COURSES LIMITED
(FORMERLY LONDON ARTSCOM LIMITED)
REGISTRATION NUMBER: 2361261
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

Auditor
KPMG LLP
15 Canada Square, London, E14 5GL

**UAL SHORT COURSES LIMITED
(COMPANY REGISTRATION NUMBER: 2361261)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

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UAL SHORT COURSES LIMITED

OFFICERS AND ADVISERS

Chairman:	Nigel Carrington
Company Secretary:	Stephen Marshall (resigned 15 November 2017) Zioge Smith (appointed 15 November 2017)
Directors:	Stephen Reid Frances Corner (resigned 15 November 2017) Christopher Wainwright (resigned 8 September 2017) Natalie Brett Jeremy Till (resigned 15 November 2017) Danielle Salvadori
Registered Office:	272 High Holborn London WC1V 7EY
External Auditor:	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL
Internal Auditor:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Banker:	Lloyds Bank 39 Threadneedle Street London EC2R 8AU
Solicitor:	Nabarro LLP Lacon House Theobald's Road London WC1X 8RW
Insurer:	UMAL, UM Association (Special Risks) Limited and UM Services Limited Hasilwood House 60 Bishopsgate London EC2N 4AW

UAL SHORT COURSES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2017.

The Company changed its name from London Artscom Limited to UAL Short Courses Limited on 20 December 2016.

Principal Activity

The principal activity of the company is to act as a trading subsidiary of University of the Arts London specialising in short courses and related educational services. University of the Arts London is made up of the following constituent colleges:

Camberwell College of Arts
Chelsea College of Arts
Wimbledon College of Arts
Central Saint Martins
London College of Fashion
London College of Communication

Dividends

The directors do not recommend payment of a dividend (2016: nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

UAL SHORT COURSES LIMITED

Disclosure of Information to Auditor

The directors in 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 they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

External 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



Zioge Smith
Company Secretary

15 November 2017

272 High Holborn
London
WC1V 7EY

UAL SHORT COURSES LIMITED
STRATEGIC REPORT

Business Review

The results and key performance indicators of the company are set out below:

	2017		2016	
	Turnover £	Profit £	Turnover £	Profit £
Camberwell, Chelsea and Wimbledon	1,670,800	348,369	1,502,493	263,999
Central Saint Martins	5,530,875	1,380,465	5,178,164	907,634
London College of Fashion	3,004,785	808,080	2,725,944	824,907
London College of Communication	821,735	320,884	600,764	165,415
Short Courses Centre	60	(266,602)	5,331	(125,017)
Winchester Shop	103,295	(3,086)	129,234	(2,363)
	11,131,550	2,588,110	10,141,930	2,034,575

The directors have pleasure in reporting another profitable year and would like to acknowledge the efforts made by staff to the continuing development of the company which has generated excellent overall results for the year. Overall turnover and profit have increased significantly and we are looking forward to another positive year in 2017-18.

Risks and Uncertainties

UAL Short Courses Limited is a wholly owned subsidiary of University of the Arts London. It provides short courses using the University and College brands and as such many risks and uncertainties are linked to those facing the University. The Financial Statements of the University of the Arts London are publicly available on the University website.

The directors acknowledge their responsibilities as set out in the Statement of Responsibilities, including that they are responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The University has a fully embedded Risk Management process and policy which identifies and manages the key risks associated to University group as a whole. Risks and associated migrating factors affecting the group are regularly monitored and reviewed.

Future Developments

The company will continue to deliver and develop its short course provision and act as a trading subsidiary of University of the Arts London for the foreseeable future.

By order of the Board



Zioge Smith
Company Secretary

272 High Holborn
London
WC1V 7EY

15 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UAL SHORT COURSES LIMITED

Opinion

We have audited the financial statements of UAL Short Courses Limited ("the company") for the year ended 31 July 2017 which comprise the Profit and Loss Account, Statement of Changed in Equity, and Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, Canary Wharf, London, E14 5GL

Date: 28 November 2017

UAL SHORT COURSES LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2017

	Note	2017 £	2016 £
Turnover	1 (c)	11,131,550	10,141,930
Cost of sales		(4,467,112)	(4,345,553)
Gross profit		6,664,438	5,796,377
Administration expenses		(6,266,517)	(6,134,605)
Interest receivable	2	647	1,698
Management fee receivable	1 (d)	2,214,798	2,366,125
Other operating income		23,744	68,980
Operating profit	3	2,637,110	2,098,575
Interest payable	7	(49,000)	(64,000)
Profit before taxation		2,588,110	2,034,575
Taxation	8	(561,753)	(406,915)
Profit for the financial year		2,026,357	1,627,660
Other comprehensive income			
Actuarial gain in respect of pension scheme		478,000	2,000
Total comprehensive income for the year		2,504,357	1,629,660

No operations were discontinued during the year.

The accompanying notes form part of these financial statements.

UAL SHORT COURSES LIMITED
STATEMENT OF CHANGES IN EQUITY

	Called up Share capital £	Profit and loss account £	Total £
Balance at 1 August 2015	100	(49,973)	(49,873)
Total comprehensive income for the year			
Profit for the year	-	1,627,660	1,627,660
Actuarial gain / (loss) in respect of pension scheme	-	2,000	2,000
Deed of Covenant	-	(1,579,687)	(1,579,687)
Tax Effect of Deed of Covenant	-	315,762	315,762
Total comprehensive income for the year	-	365,735	365,735
Balance at 31 July 2016	100	315,762	315,862
Total comprehensive income for the year			
Profit for the year	-	2,026,357	2,026,357
Actuarial gain / (loss) in respect of pension scheme	-	478,000	478,000
Deed of Covenant	-	(1,516,856)	(1,516,856)
Tax Effect of Deed of Covenant	-	278,944	278,944
Total comprehensive income for the year	-	1,266,445	1,266,445
Balance at 31 July 2017	100	1,582,207	1,582,307

The accompanying notes form part of these financial statements.

UAL SHORT COURSES LIMITED
(COMPANY REGISTRATION NUMBER: 2361261)

BALANCE SHEET
AS AT 31 JULY 2017

	Note	£	2017 £	£	2016 £
CURRENT ASSETS					
Stock		35,211		38,075	
Debtors	9	7,368,437		5,404,647	
Cash at bank and in hand		479,660		324,068	
		<u>7,883,308</u>		<u>5,766,790</u>	
CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR					
	10	<u>(4,299,001)</u>		<u>(3,238,928)</u>	
NET CURRENT ASSETS			<u>3,584,307</u>		<u>2,527,862</u>
NET ASSETS EXCLUDING PENSION LIABILITY					
			3,584,307		2,527,862
Pension (Liability)	7		<u>(2,002,000)</u>		<u>(2,212,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>1,582,307</u>		<u>315,862</u>
CAPITAL AND RESERVES CALLED UP SHARE CAPITAL					
PROFIT AND LOSS RESERVE	11		100		100
Profit and loss reserve excluding Pension Liability	12	3,584,207		2,527,762	
Pension (Liability)	7	<u>(2,002,000)</u>		<u>(2,212,000)</u>	
			<u>1,582,207</u>		<u>315,762</u>
SHAREHOLDERS FUNDS - EQUITY			<u>1,582,307</u>		<u>315,862</u>

These financial statements were approved on 15 November 2017 by the Board of Directors and signed on its behalf by:

Nigel Carrington
Chairman



Stephen Reid
Director



The accompanying notes form part of these financial statements.

UAL SHORT COURSES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The financial statements have been prepared on the historical cost basis.

The Company has applied the exemption available under FRS 102, the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. It has also taken advantage of the exemption contained in FRS 102 to not disclose transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of University of the Arts London, within which this Company is included, can be obtained from University of the Arts London, 272 High Holborn, London WC1V 7EY.

(b) Going concern

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore the company's 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.

(c) Turnover

Turnover for the year is derived primarily from operations in the United Kingdom, although many clients are drawn from overseas. It represents short course tuition fees, trading activities generically related to the provision of educational services and the sale of artwork. Fee income is recognised when the service is provided. It is shown net of value added tax and trade discounts.

(d) Management Fee receivable

A management fee is charged to the University of the Arts London for the design, marketing and co-ordination of the University's Study Abroad courses as well as the recruitment of students.

(e) Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

UAL SHORT COURSES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(f) Pension Schemes

The Company operates a pension scheme providing benefits based on career average pensionable pay. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, actuarial gains and losses.

(g) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the Company. Any unused benefits are accrued and measured as the additional amount the Company expects to pay as a result of the unused entitlement.

2. INTEREST RECEIVABLE

	2017 £	2016 £
Bank interest	647	1,698
	<hr/>	<hr/>
	647	1,698
	<hr/>	<hr/>

3. PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is stated after charging:

	2017 £	2016 £
Auditor's remuneration for audit work	8,505	10,150
Management charge payable to holding company	1,320,947	1,598,719
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UAL SHORT COURSES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4. DIRECTORS' REMUNERATION

The Directors received no remuneration for their services during the year (2016: nil).

5. PAYMENT UNDER DEED OF COVENANT

	2017 £	2016 £
Payments to University of the Arts London		
Charge for the year	954,873	1,579,687
Charge for the prior year	561,983	-
	<u>1,516,856</u>	<u>1,579,687</u>

These payments were made under the deed of covenant dated 31 July 2007 as a donation to University of the Arts London, which has charitable status.

6. STAFF

Operations and administrative staff numbers during the year were 60 (2016: 59). Staff costs including teaching staff are as follows:

	2017 £	2016 £
Wages and salaries	5,485,893	5,181,660
Social security costs	480,487	378,248
Pension costs	1,029,551	1,022,115
	<u>6,995,931</u>	<u>6,582,023</u>

UAL SHORT COURSES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. PENSIONS

Pension schemes

Retirement benefits to employees of the company are provided by the London Pension Fund Authority (LPFA) under the Local Government Pension Scheme (LGPS), a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

Contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The LGPS is a funded defined benefit scheme, providing benefits based on final pensionable pay with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2017 was £1,184,000 of which employers' contributions totaled £891,000 and employees' contributions totalled £293,000. The agreed contribution rate for the period was 17.2% for employers up to 31 March 2017 and 14.96% from 1 April 2017. And between 5.5% to 12.5% for employees (depending on earnings) throughout and for future periods.

The material assumptions used by the actuary were:

	2017 %	2016 %
RPI increases	3.4	2.9
CPI Increases	2.4	1.9
Salary increases	2.7	2.2
Pension increases	2.4	1.9
Discount rate	2.8	2.7

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Males	Females
Current Pensioners	21.1 years	24.6 years
Future Pensioners	23.5 years	26.8 years

UAL SHORT COURSES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Scheme assets

The assets in the LGPS and the expected rate of return were:

	2017		2016		2015	
	Long-Term Return %	Fund Value £	Long-Term Return %	Fund Value £	Long-Term Return %	Fund Value £
Equities	15	6,252,000	5	3,853,000	5.8	2,673,000
LDI/Cashflow matching	15	-	5	654,000	5.8	874,000
Target Return Portfolio	15	2,115,000	5	1,821,000	5.8	1,174,000
Infrastructure	15	460,000	5	529,000	5.8	325,000
Commodities	15	-	5	40,000	5.8	27,000
Property	15	664,000	5	280,000	5.8	190,000
Cash	15	707,000	5	311,000	5.8	780,000
Total market value of assets		10,198,000		7,488,000		6,043,000

The following amounts at 31 July 2017 were measured in accordance with the requirements of FRS 102.

Analysis of the amount in Statement of Comprehensive Income

	2017 £	2016 £
Return on fund assets in excess of interest	1,005,000	94,000
Other actuarial gains on assets	328,000	-
Change in demographic assumptions	34,000	192,000
Change in financial assumptions	(1,344,000)	(284,000)
Experience gain on defined benefit obligation	455,000	-
Actuarial gain recognised in Statement of Comprehensive Income	478,000	2,000

UAL SHORT COURSES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Expense recognised in the profit and loss account

	2017	2016
	£	£
Current service costs	(1,100,000)	(933,000)
Net interest on the net defined liability	(49,000)	(64,000)
Administration expenses	(10,000)	(9,000)
	<hr/>	<hr/>
Total expense recognised in profit or loss	(1,159,000)	(1,006,000)
	<hr/>	<hr/>

Analysis of movement in the present value of the scheme liabilities

	2017	2016
	£	£
At 1 August	9,700,000	8,100,000
Current service costs	1,058,000	933,000
Interest cost	267,000	321,000
Contributions by members	293,000	289,000
Estimated benefits paid net of transfers in	(15,000)	(35,000)
Change in financial assumptions	1,344,000	284,000
Change in demographic assumptions	(34,000)	(192,000)
Experience (gain) on defined benefit obligation	(455,000)	-
Past service costs, including curtailments	42,000	-
	<hr/>	<hr/>
Liability in scheme at end of year	12,200,000	9,700,000
	<hr/>	<hr/>

Analysis of movement in the market value of the scheme assets

	2017	2016
	£	£
At 1 August	7,488,000	6,043,000
Interest on assets	218,000	257,000
Expected return on assets	1,005,000	94,000
Employer contributions	891,000	849,000
Members contributions	293,000	289,000
Estimated benefits paid net of transfers in and including unfunded	(15,000)	(35,000)
Administration expenses	(10,000)	(9,000)
Other actuarial gains	328,000	-
	<hr/>	<hr/>
Surplus in scheme at end of year	10,198,000	7,488,000
	<hr/>	<hr/>

UAL SHORT COURSES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

8. Taxation	2017 £	2016 £
Profit on ordinary activities before tax	2,588,110	2,034,575
Tax at 19.66% (2016: 20%)	561,753	406,915
Current tax charge for the year	<u>561,753</u>	<u>406,915</u>
	561,753	406,915
Tax impact of Deed of Covenant	(187,791)	315,762
Adjustment in respect of prior year	(91,153)	-
	<u>(278,944)</u>	<u>315,762</u>
Recognised in Statement of Comprehensive Income	561,753	406,915
Recognised in Statement of Changes in Equity	(278,944)	(315,762)
Total tax to be relieved in future periods	<u>282,809</u>	<u>91,153</u>
9. DEBTORS	2017 £	2016 £
Trade debtors	136,296	41,386
Amount owed by holding company	6,650,186	4,642,757
Amount owed by group company	33,302	202,285
Other tax debtor	187,791	315,762
Prepayment	360,862	202,457
	<u>7,368,437</u>	<u>5,404,647</u>

UAL SHORT COURSES LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	188,636	176,754
Taxation and social security	561,753	-
Other creditors	101,484	139,509
Accruals and deferred income	3,447,128	2,922,665
	<hr/>	<hr/>
	4,299,001	3,238,928
	<hr/>	<hr/>

11. SHARE CAPITAL

	2017	2016
	£	£
Authorised :		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Share capital allotted, called up and fully paid :		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

12. GENERAL RESERVES

Movements on the general reserves during the year were as follows:

	2017	2016
	£	£
Opening profit and loss reserve excluding pension liability	2,527,762	2,007,027
Profit for the year	2,026,357	1,627,660
Deed of Covenant	(1,516,856)	(1,579,687)
Tax impact of Deed of Covenant	278,944	315,762
Pension movement for the year transferred to pension reserve	268,000	157,000
	<hr/>	<hr/>
Closing profit and loss reserve excluding pension liability	3,584,207	2,527,762
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13. ULTIMATE HOLDING COMPANY

The ultimate holding company is University of the Arts London. Copies of the financial statements of University of the Arts London may be obtained from University of the Arts London, 272 High Holborn, London WC1V 7EY.

UAL SHORT COURSES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. RELATED PARTY TRANSACTIONS

The company's ultimate holding company is University of the Arts London. Due to the nature of the University's and Company's operations and the composition of the Company Directors, it is inevitable that transactions will take place with organisations in which a Director may have an interest. All transactions involving organisations in which a Director may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

During the year there were no related party transactions which require separate disclosure.