

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 JULY 2018

Registered Number: 2760241

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CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2018

The Strategic Report has been prepared in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

PERFORMANCE OF THE BUSINESS

The Company's turnover has increased by 2.2% compared to the previous year, which, along with cost savings, has led to an increase in gross profit (an increase of 3.9%), though the gross margin was maintained at 40%. Administrative costs decreased by 17% following a re-organisation of the business and being able to achieve significant cost savings, and overall the profit from operations showed a substantial increase on the previous year, so that the charitable donation to its holding company this year is £895,000 (2017: £7,343).

Some of our risk in customised programmes is mitigated through our diverse portfolio of international clients, across industry sectors, with a number of new clients won in the last 12 months, but it remains a challenging and competitive market. We have been innovating our open programme portfolio to reflect changing times, and are targeting our sales and marketing resources on new channels.

At the year end the company was in good financial health and has donated its profits to Cranfield University. The outlook is, however, uncertain following the decision to exit the EU and the increasing risk of a "no deal exit", leading to uncertainties and a loss of business confidence in the UK which is expected to continue in the foreseeable future. During the year, in order to mitigate the risk arising from the volatile nature of income streams, the Board instigated a restructuring programme within the company to reduce the number of staff employed and move to a more variable cost model. More details of this are disclosed in note 3.

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks to the company are to place too much dependency on individual clients, geographic markets, the economic environment in the UK and in not developing new content and technology. The company will plan its business structure and processes to enable it to mitigate these risks by developing a balanced portfolio of clients, utilise knowledge developed within Cranfield School of Management, and by investing in technology which improves the customer experience. Risk is also spread through having significant business streams for both Customised and Open Executive programmes.

The company will also seek to mitigate these risks by maintaining a talented team of consultancy staff to respond effectively to customer enquiries and maintaining its world class position in independent executive development rankings.

KEY PERFORMANCE INDICATORS (KPIs)

The company benchmarks its performance against its competitors, where comparable information is available. Not all competitors are independent entities or produce accounts in a comparable manner so this benchmarking is severely limited.

The company also benchmarks the portfolio, price and content of its open programmes against competitors' programmes to ensure that it continues to deliver relevant and insightful interventions at best value for money. The company innovates and develops learning concepts and aims to refresh and renew a proportion of its open programme offerings each year. These skills and this material are also available to customised programmes for corporate clients. The company monitors delegate bookings on Open Executive Programmes on a daily basis, to identify overall trends and also attendances on individual courses to identify courses which are in demand, and those which are not and adjust the portfolio for changing customer demands.

By order of the Board



Neil Wilson
Company Secretary and Director

25 September 2018

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

The directors present their annual report together with the audited financial statements for the year ended 31 July 2018.

PRINCIPAL ACTIVITIES, RESULTS FOR THE YEAR AND DIVIDEND

The company's principal activity is the provision of Cranfield School of Management's Executive Education and related services.

The profit for the year after taxation amounted to £272 (2017 - £4,999). The directors do not propose a dividend for the year ended 31 July 2018, and the profit was transferred to reserves.

GOING CONCERN REVIEW

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 1.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The balance sheet shows a net current liabilities position of £485,665 (2017 - £530,655). This includes a liability of £895,000 at 31 July 2018 for gift aid payable to Cranfield University (comparative of £7,343 at 31 July 2017), payment of which needs to be made by the end of April 2019. The company had £714,500 of cash and no loans at the year end.

The directors, having assessed the responses of the directors of the company's parent, Cranfield University, to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Cranfield University group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Cranfield University, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

There is a charge to the profit and loss account for the year of £895,000 (2017 - £7,343) in respect of a donation for charitable purposes to Cranfield University.

The company made no political contributions during the year (2017 - £nil).

DIRECTORS

The names of the directors who served during the year are set out below.

P J Aspinall (Chairman)

Dr D J Butcher

Dr J Glen (resigned from Board 31 August 2017)

Professor L J Ryals

M S Threlfall

N P Wilson

Insurance has been taken out by the company under S310(3) for the company's directors in respect of their liabilities in relation to the company.

No director had any disclosable interest in the shares of the company at any time during the year.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2018

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Neil Wilson
COMPANY SECRETARY
25 September 2018

Registered Number 2760241

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

Opinion

We have audited the financial statements of Cranfield Management Development Limited ("the company") for the year ended 31 July 2018 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity 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 2018 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

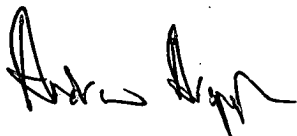
Auditor's responsibilities

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.



21 December 2018

Andrew Argyle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2018

	Note	2018	2017
		£	£
TURNOVER	2	14,686,802	14,373,860
Cost of sales		(8,750,755)	(8,663,687)
GROSS PROFIT		<u>5,936,047</u>	<u>5,710,173</u>
Administrative expenses		(4,718,238)	(5,692,824)
Cost of re-organisation	3	(312,431)	-
Charitable donation		(895,000)	(7,343)
OPERATING PROFIT	4	<u>10,378</u>	<u>10,006</u>
Interest receivable and similar income		593	6,098
PROFIT BEFORE TAXATION		<u>10,971</u>	<u>16,104</u>
Tax	7	(10,699)	(11,105)
PROFIT FOR THE FINANCIAL YEAR		<u><u>272</u></u>	<u><u>4,999</u></u>

Other Comprehensive Income

for the year ended 31 July 2018

There were no recognised gains or losses other than the profit attributable to the shareholder of the company of £272 in the year ended 31 July 2018 (2017: £4,999).

All amounts related to continuing activities.

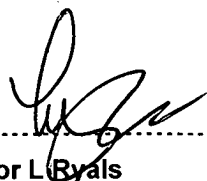
The notes on pages 10 to 18 form part of these financial statements.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

BALANCE SHEET AS AT 31 JULY 2018

	Note	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		2,284,034		2,328,752
CURRENT ASSETS					
Debtors: due within one year	9	3,385,526		3,177,327	
Cash at bank and in hand including short term deposits		714,500		1,016,756	
		<u>4,100,026</u>		<u>4,194,083</u>	
CREDITORS: amounts falling due within one year	10	<u>(4,585,691)</u>		<u>(4,724,738)</u>	
NET CURRENT LIABILITIES			(485,665)		(530,655)
NET ASSETS			<u>1,798,369</u>		<u>1,798,097</u>
CAPITAL AND RESERVES					
Called up share capital	11		1,780,000		1,780,000
Profit and loss account			18,369		18,097
EQUITY SHAREHOLDERS' FUNDS			<u>1,798,369</u>		<u>1,798,097</u>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 25 September 2018 and were signed on its behalf by:



 Professor L. Ryals

Director

Registered number: 2760241

The notes on pages 10 to 18 form part of these financial statements.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2018

	Called up share capital £	Profit and loss account £	Total Equity £
Balance at 1 August 2016	1,780,000	13,098	1,793,098
Total comprehensive income for the period			
Profit	-	4,999	4,999
Balance at 31 July 2017	<u>1,780,000</u>	<u>18,097</u>	<u>1,798,097</u>
Balance at 1 August 2017	1,780,000	18,097	1,798,097
Total comprehensive income for the period			
Profit	-	272	272
Balance at 31 July 2018	<u>1,780,000</u>	<u>18,369</u>	<u>1,798,369</u>

The notes on pages 10 to 18 form part of these financial statements.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

1 ACCOUNTING POLICIES

Basis of Preparation

Cranfield Management Development Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were 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 presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Cranfield University, includes the Company in its consolidated financial statements. The consolidated financial statements of Cranfield University are available to the public and may be obtained from:

<http://www.cranfield.ac.uk/about/governance-and-policies>.

In these financial statements the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS 102 Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by Cranfield University, whose financial statements are publicly available.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis.

The directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover represents the amounts receivable in the ordinary course of business for services provided excluding value added tax. Income is recognised in the period the service is delivered. Where income is invoiced in advance of the supply of services, it is held in income in advance until the service has been provided.

Foreign exchange

Transactions in foreign currency are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

1 ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets

Assets costing less than £5,000 per individual item or groups of items are written off to the income and expenditure account in the period of acquisition. All other assets are capitalised at cost.

Tangible fixed assets are stated at cost and depreciation is calculated to write off the cost of the assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of those assets. The rates used for this purpose are :-

Freehold buildings	2%
Computer equipment / software	20% - 33%
Motor vehicles	25%
Other equipment	20%
Furniture and fittings	10%

Basic Financial Instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Taxation

Tax on the profit or loss for the year comprises current and deferred 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 and available group relief. Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

1 ACCOUNTING POLICIES (CONTINUED)

Pension Costs

The company operates two defined contribution pension schemes. The assets are held separately from those of the company. Pension costs are paid over in the same month as they occur.

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Analysis of turnover by services provided in the following geographical regions:

	2018 £	2017 £
UK	11,617,384	12,083,233
Rest of Europe	410,413	635,982
Rest of world	2,659,005	1,654,645
	<u>14,686,802</u>	<u>14,373,860</u>

The profit on ordinary activities before taxation arises from the principal activity of the company.

3 COST OF RE-ORGANISATION

In September 2017, the Board approved and announced to staff a restructuring programme within the company to reduce the number of staff employed and move to a more variable cost model. Following consultation with affected staff, a reduction in head count of 25% of staff was implemented which took effect by Christmas 2017. The cost of redundancies was £312,431 and the annual cost savings estimated at £685,000 per annum. The company has implemented a restructuring of its operating model to improve efficiency and retain its effectiveness at a lower cost.

4 OPERATING PROFIT

Operating profit is stated after charging:

	2018 £	2017 £
Auditor's remuneration		
- audit of these financial statements	7,200	6,995
- tax compliance services	665	650
- other tax advisory services	11,975	-
Depreciation on tangible assets	133,818	120,517
Operating leases - hire of plant and machinery	4,428	6,493
- land and buildings	134,975	131,075
Net loss on disposal of tangible fixed assets	-	255
Charitable donation	895,000	7,343
	<u>895,000</u>	<u>7,343</u>

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

5 DIRECTORS' EMOLUMENTS

	2018 £	2017 £
Directors' remuneration	114,750	118,586
Company contributions to money purchase pension schemes	11,475	11,859

The aggregate remuneration of the highest paid director was £105,306 (2017 - £111,650), and company pension contributions of £10,531 (2017 - £11,165) were made to a money purchase scheme on his behalf.

During the year, there were two directors for whom retirement benefits were accruing under a money purchase pension scheme (2017 - two).

6 STAFF NUMBERS AND COSTS

	2018 £	2017 £
Wages and salaries	2,117,557	2,800,773
Social security costs	252,507	321,227
Other pension costs	195,240	251,137
	<u>2,565,304</u>	<u>3,373,137</u>

The average number of persons employed by the company during the year was as follows:

	2018 Number	2017 Number
Course development	16	22
Course administration	29	39
	<u>45</u>	<u>61</u>

In addition, the company pays the holding body a charge for the services of its staff (in particular teaching staff) and use is made of associates on an assignment basis.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

7 TAXATION

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018 £	2017 £
Current tax		
Current tax on income for the period	10,699	11,105
Adjustments in respect of prior periods	-	-
Total tax	<u>10,699</u>	<u>11,105</u>

The tax assessed for the period is higher than (2017: higher than) the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £	2017 £
Reconciliation of effective tax rate		
Profit for the year	272	4,999
Total tax expense	(10,699)	(11,105)
Profit excluding taxation	<u>10,971</u>	<u>16,104</u>
Tax using the UK standard effective corporation tax rate of 19.0% (2017: 19.67%)	2,084	3,168
Non-deductible expenses	2,323	1,040
Other expense adjustments	-	(2,184)
Depreciation on assets not qualifying for capital allowances	15,878	15,133
Deferred tax not previously recognised	(9,586)	(37,244)
Surrender of tax losses to group companies	-	20,087
Overseas tax not offset	-	11,105
Total tax expense included in profit or loss	<u>10,699</u>	<u>11,105</u>

There is a deferred liability at 31 July 2018 of £1,324 (2017: deferred tax asset of £8,135) which has not been recognised in the current year or previous year total tax figure, due to the expectation that this will be extinguished by group relief.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

8 TANGIBLE FIXED ASSETS

	Freehold Buildings £	Computer Equipment/ Software £	Other Equipment & Vehicles £	Furniture & Fittings £	TOTAL £
Cost					
At 1 August 2017	3,206,823	97,912	145,433	525,453	3,975,621
Additions	-	7,183	39,957	41,960	89,100
Disposals	-	-	-	-	-
At 31 July 2018	<u>3,206,823</u>	<u>105,095</u>	<u>185,390</u>	<u>567,413</u>	<u>4,064,721</u>
Depreciation					
At 1 August 2017	1,109,586	65,923	112,350	359,010	1,646,869
Charge for year	74,901	17,499	13,811	27,607	133,818
Disposals	-	-	-	-	-
At 31 July 2018	<u>1,184,487</u>	<u>83,422</u>	<u>126,161</u>	<u>386,617</u>	<u>1,780,687</u>
Net Book Amount					
At 31 July 2018	<u>2,022,336</u>	<u>21,673</u>	<u>59,229</u>	<u>180,796</u>	<u>2,284,034</u>
At 31 July 2017	<u>2,097,237</u>	<u>31,989</u>	<u>33,083</u>	<u>166,443</u>	<u>2,328,752</u>

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

9 DEBTORS

	2018 £	2017 £
Amounts due within one year		
Trade debtors	2,339,561	2,425,330
Amounts due from holding body	467,183	263,697
Amounts due from related companies	2,076	1,808
Other debtors	164,599	-
Prepayments and accrued income	412,107	486,492
	<u>3,385,526</u>	<u>3,177,327</u>

10 CREDITORS - amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,212,440	1,408,006
Income in advance	1,812,946	1,700,740
Amounts owed to holding body	888,668	914,589
Amounts owed to related companies	191,025	127,871
Social security and other taxation	112,537	172,144
Other creditors	51,090	64,266
Accruals and deferred income	316,985	337,122
	<u>4,585,691</u>	<u>4,724,738</u>

11 CALLED UP EQUITY SHARE CAPITAL

	2018 £	2017 £
Authorised, allotted, called up and fully paid: 1,780,000 ordinary shares of £1 each	<u>1,780,000</u>	<u>1,780,000</u>

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

12 PENSION CONTRIBUTIONS

The company operates two defined contribution pension schemes. The assets of each scheme are held separately from those of the company in independently administered funds.

The pension cost charge for the period represents contributions payable by the company to the funds and amounted to £195,240 (2017 - £251,137).

At the balance sheet date, contributions amounting to £24,665 were payable to the schemes (2017 - £32,347).

13 OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows :

	2018 £	2017 £
Less than one year	139,521	140,279
Between one and five years	562,000	561,021
More than five years	199,042	339,542
	<u>900,563</u>	<u>1,040,842</u>

During the year £139,403 was recognised as an expense in the profit and loss account in respect of operating leases (2017 : £137,568).

14 CAPITAL COMMITMENTS

The company had the following capital commitments at 31 July:

	2018 £	2017 £
Capital expenditure contracted for but not provided in the financial statements	<u>-</u>	<u>45,607</u>
Authorised but not contracted for at 31 July	<u>-</u>	<u>-</u>

CRANFIELD MANAGEMENT DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

15 ULTIMATE HOLDING BODY

The immediate and ultimate holding body and controlling party is Cranfield University, which is incorporated under Royal Charter in Great Britain.

Copies of the accounts can be obtained from :

Cranfield University
Cranfield
Bedford
MK43 0AL