MU VENTURES LIMITED

Annual Report

For the year ended
31 July 2011



COMPANY No: 02381821

MU VENTURES LIMITED

Contents of the Annual Report

	Page
Company information	3
Report of the director	4 - 5
Independent Auditors' report	6 - 7
Profit and loss account	8
Balance sheet	9
Accounting policies	10 - 11
Notes to the financial statements (Notes 1 - 17)	12 - 15

Company Information

Director	Melvyn Keen
Secretary	Janice Roscelli
Registered office	Middlesex University The Burroughs Hendon London NW4 4BT
Registered number	02381821
Bankers	Lloyds TSB Bank plc Silver Street Branch 1 Silver Street Enfield Middlesex EN1 3EE
Auditors	BDO LLP Chartered Accountants & Registered Auditors Emerald House, East Street, Epsom, Surrey, KT17 1HS

MU VENTURES LIMITED

Report of the Director

The director presents the report and the audited financial statements of the company for the year ended 31 July 2011

Principal activities

The principal activities of the company are the supply of consultancy, contract research services, training, continuing professional development (CPD) and the provision of other products and services to commercial clients

Review of the business and future activities

Turnover in the year was £1,386,736 (2010 £2,514,926,) The company's turnover decreased year on year as the interpretation of VAT legislation changed (HMRC VAT info sheet 03/10), which resulted in MU Ventures being classified as an eligible body, eroding the VAT advantage to Middlesex University of running certain training courses through its subsidiary trading company An improved understanding of how corporation tax impacts the parent's trade has led to more contract research and consultancy to be contracted directly through the parent company, where in previous years it would have been contracted through MU Ventures The company's overall profit declined as a result of the higher costs recharged from Middlesex University

Going concern review

After reviewing the company's financial position and financial facilities, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, the director continues to adopt the going concern basis in preparing the annual report and accounts

Results and dividend

The profit for the year amounted to £85,469 (2010 £151,643 profit) The director does not recommend the payment of a dividend, leaving the profit to be transferred to reserves after charitable donations to Middlesex University paid under gift aid

Director

The director who served throughout the year and to date was

Melvyn Keen

Director's responsibilities statement

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the director 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 director is required to

Report of the Director (cont'd)

Director's responsibilities statement (cont'd)

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 He is 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

Charitable donations

This year the company has not made a charitable donation to Middlesex University (2010 paid £45,783)

Enhanced business review exemption

The company is not required to produce an enhanced business review as it is exempt from the requirement under s417 of the Companies Act 2006

Provision of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

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

- the director have taken all the steps that they ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given in and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

BDO LLP have expressed their willingness to continue as auditors and a resolution to reappoint BDO LLP as auditors will be proposed at the forthcoming annual general meeting

The report of the directors was approved by the Board on 28 November 2011 and signed on its behalf by

In preparing the directors' report, advantage has been taken of the small companies exemption

All UK accounting standards have been fulfilled, subject to any material departures disclosed and explained in the financial statements

Melvyn Keen
Director

Independent Auditors' Report to the Members of MU Ventures Ltd

We have audited the financial statements of MU Ventures Limited for the year ended 31 July 2011 which comprise the accounting policies, the profit and loss account, the balance sheet and the related notes 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2011 and of its profit 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent Auditors' Report to the Members of MU Ventures Ltd (cont'd)

Matters on which we are requires to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime

James Aston (Senior statutory auditor)
For and on behalf of BDO LLP
Statutory Auditor
Epsom, Surrey, United Kingdom
~~November 2011~~ 6 December 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

MU VENTURES LIMITED

Profit and Loss Account

for the year ended 31 July 2011

	Notes	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Turnover	1	**1,386,736**	2,514,926
Cost of sales		**(1,157,364)**	(2,006,926)
Gross profit		**229,372**	508,000
Administrative expenses		**(178,773)**	(313,037)
Operating profit	2	**50,599**	194,963
Interest receivable	5	**3,199**	2,463
Gift aid payable for the current year	6	**-**	(45,783)
Profit on ordinary activities before taxation		**53,798**	151,643
Tax on profit on ordinary activities	7	**31,671**	-
Profit for the financial year		**85,469**	151,643

All results relate to continuing operations

The company has no recognised gains/(losses) other than the retained profit for the financial year shown above Accordingly no separate statement of total gains and losses has been presented

All profits and losses are historic cost profits and losses

The notes on pages 12 to 15 form part of these financial statements

MU VENTURES LIMITED

Balance Sheet

as at 31 July 2011

	Notes	2011 £	2010 £
Current assets			
Debtors amounts falling due within one year	10	**236,564**	623,960
Cash at bank and in hand		**461,800**	720,902
		698,364	1,344,862
Creditors: amounts falling due within one year	11	**(525,590)**	(1,257,557)
Net current assets		**172,774**	87,305
NET ASSETS		**172,774**	87,305
Capital and reserves			
Called up share capital	12	**2,700,000**	2,700,000
Profit and loss account	13	**(2,527,226)**	(2,612,695)
SHAREHOLDERS' EQUITY	14	**172,774**	87,305

The notes on pages 12 to 15 form part of these financial statements

The financial statements of MU Ventures Limited, registered number 02381821 were approved by the director and authorised for issue on 28th November 2011

Melvyn Keen
Director

Accounting Policies

A Basis of accounting

The financial statements have been prepared in accordance with applicable 'UK' accounting standards under the historical cost convention The principal accounting policies, which the directors have adopted, are set out below

The company's business activities and future activities are set out in the Directors report on page 4 After reviewing the company's financial position, forecasts and financial facilities, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

B. Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of commissions, VAT and any other sales related taxes Amounts for Training and Contract Research are recognised on a percentage completion basis

C. Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements

A net deferred tax asset is regarded as recoverable and therefore only recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

D. Cash flow statement

The Company has taken advantage of the exemption granted in Financial Reporting Statement No 1 (revised) not to prepare a cash flow statement on the grounds that at least 90% of the voting rights of the company are controlled within the group headed by Middlesex University and the company is included within the consolidated financial statements

E. Foreign currency

Foreign currency amounts are translated into pounds sterling at the historical exchange rate Foreign exchange differences are written off to the profit and loss account in the period in which they occur

Accounting Policies

F. Pension costs

The company's pension scheme is a defined benefit multi-employer scheme for which it is not possible to identify MU Ventures Ltd's share of the underlying assets and liabilitities Therefore, as required by Financial Reporting Standard (FRS) 17 (Retirement Benefits), the contributions are charged directly to the income and expenditure account as if the scheme were a defined contribution scheme

G. Long term contracts

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses Where the outcome of each long-term contract can be assessed with reasonable certaintity before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between reported turnover and related costs for that contract

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account Excess progress payments are included in creditors as payments on account Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long-term contract balances in stock

H. Investments

Investments are stated at the net assets value of the investment company

I. Leases

Operating leases rentals are charged to income in equal annual amounts over the lease term

Notes to the Financial Statements

1. Segmental analysis	Year ended 31 July 2011 £	Year ended 31 July 2010 £
The analysis of turnover by activity is as follows:		
Consultancy and contract research	**735,163**	988,892
Training and e-learning	**259,745**	1,225,396
Other activities	**391,828**	300,638
	1,386,736	2,514,926

Sales by geographical markets are analysed as 99% United Kingdom, 1% combined overseas markets

2. Operating profit	£	£
Operating profit is arrived at after charging		
Auditors' remuneration		
- Fees payable to the Company's auditors for the audit of the Company's annual accounts	**9,360**	9,000

3. Employees	Number	Number
The average number of people (including directors) employed by the company during the year		
Consultancy	**12**	18

Costs in respect of these employees	£	£
Wages and salaries	**131,850**	164,884
Social security costs	**11,437**	12,492
Employers pension contributions	**610**	-
	143,897	177,376

4. Director

The director received no remuneration from this company (2010 £Nil)

Notes to the Financial Statements

5. Interest receivable	Year ended 31 July 2011 £	Year ended 31 July 2010 £
Bank deposit interest	**3,199**	2,463

6. Gift aid

Gift aid receivable/(payable) for the current year	-	45,783

The 2010 actual gift aid payment was £14,112, compared to the original provision of £45,783 As a result, the 2011 tax charge includes a £31,671 adjustment in respect of the prior year provision

The director agreed post year to make a payment under gift aid to the parent body for year ended 31st July 2011 This payment will therefore be recognised in the financial statements for the year ended 31st July 2012

7 Tax on profit on ordinary activities	Year ended 31 July 2011 £	Year ended 31 July 2010 £
No tax arises in respect of the current year as explained below		
United Kingdom Corporation Tax		
Current tax on income for the year 27 33% (2010 28%)	-	-
Adjustment in respect of prior year gift aid overpayment	**(31,671)**	
Tax on profit on ordinary activities	**(31,671)**	-
Current tax charge reconciliation		
Profit on ordinary activities before taxation	**85,469**	151,643
Theoretical tax at UK corporation tax rate of 27 33%	**23,359**	42,460
Effects of		
Expenses not deductable for tax purposes	-	52,362
Utilisation of tax losses and other deductions	**(1,086)**	-
Movement in short term timing differences	-	-
Other short term timing differences	**(1,014)**	4,898
Group relief claimed before payment	-	(99,720)
Relief through gift aid payment to be made	**(21,259)**	-
Current tax charge for the year	-	-

8. Deferred taxation

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses, short-term timing differences and accelerated capital allowances as there is insufficient evidence that the assets will be recovered The amount of the asset not recognised is £19,386 (2010 £23,012) The asset would be recovered if sufficient suitable taxable profits were to arise in future against which it could be offset

Notes to the Financial Statements

	Year ended 31 July 2011 £	Year ended 31 July 2010 £
9. Investment in subsidiary		
As at 1 August	-	-
Investment - MU Sales	-	187,007
Impairment of investment	-	(187,007)
As at 31 July	-	-

The company had a 50% investment in MU Sales Limited which has been fully impaired to a carrying value of £Nil in 2010 In 2011, MU Sales was deregistered

10. Debtors		
Trade debtors	**33,303**	305,826
Amounts due from group undertakings	**34,717**	80,000
Prepayments and accrued income	**149,571**	238,134
Other taxation and social security	**18,973**	-
	236,564	623,960
11. Creditors: amounts falling due within one year		
Trade creditors	**8,053**	118,491
Other taxation and social security	**44,273**	27,835
Amounts owed to parent undertaking	**112,202**	333,774
Accruals and deferred income	**361,062**	777,457
	525,590	1,257,557
12. Called up share capital		
Alloted and fully paid		
2,700,000 ordinary shares of £1 each	**2,700,000**	2,700,000
13. Profit and loss account		
As at 1 August	**(2,612,695)**	(2,695,214)
Profit for the financial year	**85,469**	151,643
Distribution to fellow subsidiary	**-**	(69,124)
As at 31 July	**(2,527,226)**	(2,612,695)
14. Reconciliation of movement in shareholders' equity		
Opening shareholders' equity	**87,305**	4,786
Profit for the financial year	**85,469**	151,643
Distribution to fellow subsidiary	**-**	(69,124)
Closing shareholders' equity	**172,774**	87,305

15. Related party transactions

The Company has taken advantage of the exemption which is conferred by Financial Reporting Standard number 8 "Related Party Disclosures" that allows it not to disclose transactions with group undertakings where 100% of the voting rights are controlled within the group

No other related party transactions were identified

16. Controlling party

The directors regard Middlesex University as the controlling party by virtue of its 100% interest in the equity share capital of the company The smallest and largest group for which group accounts have been prepared is headed by Middlesex University, a charity registered in England Copies of the consolidated financial statements for Middlesex University can be obtained from Middlesex University, Hendon Campus, London, NW4 4BT

17. Pension scheme

The company's Local Government Pension Scheme (LGPS) merged, on 1st April 2008, with the multi-employer LGPS scheme of Middlesex University, administered by the London Borough of Barnet The company's share of underlying assets and liabilities is no longer separately identifiable

The latest actuarial valuation of the scheme was at 31 March 2010 using the projected unit method The financial assumptions and other data which have the most significant effect on the determination of the contribution levels are as follows

	March 2010
Investment returns per annum	3 0%
Pay increases per annum*	5 0%
Pension increases per annum*	2 7%
Inflation (RPI increases per annum)*	3 5%
Inflation (CPI increases per annum)*	2 7%
Market value of assets at last actuarial valuation date	£631,401m
Proportion of members' accrued benefits covered by the actuarial value of assets	76 0%
Discount rate for liabilities*	5 3%
Current Employers contribution rate	27 6%

*Based on update to the fund as at 31 July 2011 by a qualified independent actuary

Based on update to the fund as at the 31 July 2011 by a qualified independent actuary, the group's pension deficit was £45,919k (2010 £45,360k)

The current contribution rate payable by the institution is 27 6% (2010 28 6%) of pensionable salaries A new actuarial valuation of the scheme will be carried out on values at 31 March 2013