

MU VENTURES LIMITED

Annual Report

For the year ended
31 July 2012

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COMPANY No: 02381821

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Company Information

Directors

Melvyn Keen
Mark Gray appointed 15/07/2012
Peter Vermeulen appointed 15/07/2012

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
2 City Place, Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Report of the Directors

The directors presents the report and the audited financial statements of the company for the year ended 31 July 2012

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

The company's turnover in the year was £589,959 (2011 £1,386,736) decreasing in part due to Graduation activities being contracted directly through the parent company, where in previous years it would have been contracted through MU Ventures Limited. Although activity was largely unchanged on the prior year, contract pricing across consultancy, contract research and CPD reflected the current economic climate faced by its client base with subsequent reductions in both turnover and profit margins. The company will remain the vehicle for all consultancy and contract research activities, with the future outturn target increasing by 7% pa.

Going concern review

After reviewing the company's financial position 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, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Results and dividend

The profit for the year amounted to £12,432 (2011 £85,469 profit). The directors do 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.

Directors

The directors who served throughout the year and to date were

Melvyn Keen

Mark Gray appointed 15/07/2012

Peter Vermeulen appointed 15/07/2012

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 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 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

Report of the Directors (cont'd)

Directors' 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 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. 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 (2011 paid £Nil)

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 directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

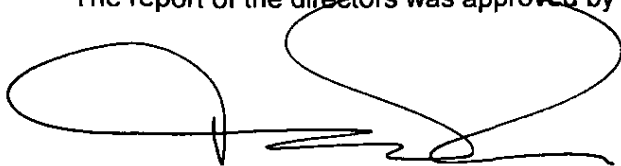
This confirmation is given in and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

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

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

The report of the directors was approved by the Board on 08 Nov 2012 and signed on its behalf by



Peter Vermeulen
Director

Independent Auditor's Report to the Members of MU Ventures Ltd

We have audited the financial statements of MU Ventures Limited for the year ended 31 July 2012 which comprise 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 2012 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 matters prescribed by the Companies Act 2006

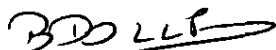
In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of 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 financial statements and the directors' report in accordance with the small companies' regime



James Aston (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Gatwick, West Sussex

Date 22 November 2012

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

Profit and Loss Account

for the year ended 31 July 2012

	Notes	Year ended 31 July 2012 £	Year ended 31 July 2011 £
Turnover	1	589,959	1,386,736
Cost of sales		(474,127)	(1,157,364)
Gross profit		<u>115,832</u>	<u>229,372</u>
Administrative expenses		<u>(105,485)</u>	<u>(178,773)</u>
Operating (loss)/profit	2	10,347	50,599
Interest receivable	5	2,085	3,199
Gift aid payable for the current year	6	-	-
Profit/(Loss) on ordinary activities before taxation		<u>12,432</u>	<u>53,798</u>
Tax on profit on ordinary activities	7	-	31,671
Profit/(Loss) for the financial year		<u><u>12,432</u></u>	<u><u>85,469</u></u>

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

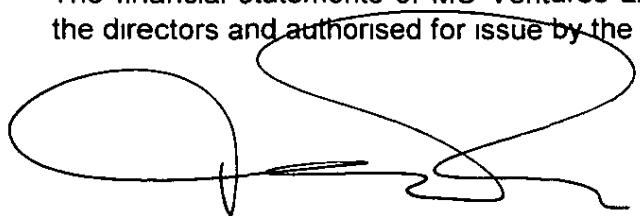
Balance Sheet

as at 31 July 2012

		2012	2011
	Notes	£	Restated £
Current assets			
Debtors amounts falling due within one year	8	87,316	182,874
Cash at bank and in hand		<u>703,274</u>	<u>461,800</u>
		790,590	644,674
Creditors: amounts falling due within one year	9	(605,384)	(471,900)
Net current assets		<u>185,206</u>	<u>172,774</u>
NET ASSETS		<u><u>185,206</u></u>	<u><u>172,774</u></u>
Capital and reserves			
Called up share capital	10	2,700,000	2,700,000
Profit and loss account	11	<u>(2,514,794)</u>	<u>(2,527,226)</u>
SHAREHOLDERS' EQUITY	12	<u><u>185,206</u></u>	<u><u>172,774</u></u>

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 directors and authorised for issue by the board on 08 Nov 2012



Peter Vermeulen
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 report of the Directors on page 4. After reviewing the company's financial position, forecasts 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, 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 multi-employer defined benefit scheme where the underlying assets and liabilities for MU Ventures Limited cannot be identified because sufficient information is not available regarding employees which work variably across the group of employers. Accordingly under Financial Reporting Standard (FRS) 17 (Retirement Benefits), contributions are charged to the profit and loss 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 certainty 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.

Notes to the Financial Statements

	Year ended 31 July 2012 £	Year ended 31 July 2011 £
1. Segmental analysis		
The analysis of turnover by activity is as follows:		
Consultancy and contract research	460,118	568,392
Training and e-learning	55,935	426,516
Other activities	73,906	391,828
	<u>589,959</u>	<u>1,386,736</u>

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

£166,771 has been reclassified to training and e-learning from consultancy and contract research for 31 July 2011

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	<u>11,637</u>	<u>11,157</u>

Auditors remuneration for the year ended 31 July 2011 has ben restated to include the non-recoverable amount of VAT

3. Employees	Number	Number
The average number of people (including directors) employed by the company during the year		
Consultancy	<u>12</u>	<u>12</u>
Costs in respect of these employees	£	£
Wages and salaries	65,777	131,850
Social security costs	3,068	11,437
Employers pension contributions	122	610
	<u>68,967</u>	<u>143,897</u>

4. Directors

The directors received no remuneration from this company (2011 £Nil)

Notes to the Financial Statements

	Year ended 31 July 2012 £	Year ended 31 July 2011 £
5. Interest receivable		
Bank deposit interest	<u>2,085</u>	<u>3,199</u>
6. Gift aid		
Gift aid payable for the current year	<u>-</u>	<u>-</u>
7. Tax on profit on ordinary activities		
No tax arises in respect of the current year as explained below		
United Kingdom Corporation Tax		
Current tax on income for the year 25 33% (2011 27 33%)	-	-
Adjustment in respect of prior year gift aid overpayment	-	(31,671)
Tax on profit on ordinary activities	<u>-</u>	<u>(31,671)</u>
Current tax charge reconciliation		
Profit on ordinary activities before taxation	<u>12,432</u>	<u>85,469</u>
Theoretical tax at UK corporation tax rate of 25 33% (2011 27 33%)	<u>3,149</u>	<u>23,359</u>
Effects of		
Expenses not deductible for tax purposes	-	-
Utilisation of tax losses and other deductions	1,369	(1,086)
Movement in short term timing differences	-	-
Other short term timing differences	(4,518)	(1,014)
Group relief claimed before payment	-	-
Relief through gift aid payment to be made	-	(21,259)
Current tax charge for the year	<u>-</u>	<u>-</u>

Notes to the Financial Statements

	Year ended 31 July 2012 £	Year ended 31 July 2011 £
8. Debtors		
Trade debtors	59,151	33,303
Prepayments and accrued income	28,165	149,571
	<u>87,316</u>	<u>182,874</u>

£18,973 of other taxation and social security debtors and £34,717 of amounts owed from parent undertaking for year the ended 31 July 2011 have been reclassified and shown net within Note 10 Creditors to correspond with this year presentation
Included with prepayments and accrued income are amounts recoverable on contracts of £28,165 (2011 £44,571)

9. Creditors: amounts falling due within one year

Trade creditors	6,893	8,053
Other taxation and social security	41,708	25,300
Amounts owed to parent undertaking	327,516	77,485
Accruals and deferred income	229,267	361,062
	<u>605,384</u>	<u>471,900</u>

Other taxation and social security creditors and amounts owed to parent undertaking for the year ended 31 July 2011 include amounts reclassified from Note 9 to correspond with this year presentation
Included in accruals and deferred income are payments on account of £196,756 (2011 £110,204)

10. Called up share capital

Alloted and fully paid		
2,700,000 ordinary shares of £1 each	<u>2,700,000</u>	<u>2,700,000</u>

11. Profit and loss account

As at 1 August	(2,527,226)	(2,612,695)
Profit/ (Loss) for the financial year	12,432	85,469
As at 31 July	<u>(2,514,794)</u>	<u>(2,527,226)</u>

12. Reconciliation of movement in shareholders' equity

Opening shareholders' equity	172,774	87,305
Profit/ (Loss) for the financial year	12,432	85,469
Closing shareholders' equity	<u>185,206</u>	<u>172,774</u>

Notes to the Financial Statements

13. 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

14. 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.

15. 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:

The Group employer contributions expected to be paid into the scheme during the year ended 31 July 2013 is £7,383k.

	March 2010
Investment returns per annum	3.0%
Pay increases per annum*	4.0%
Pension increases per annum*	1.8%
Inflation (RPI increases per annum)*	2.6%
Inflation (CPI increases per annum)*	1.8%
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*	3.9%
Current Employers contribution rate	27.6%

*Based on update to the fund as at 31 July 2012 by a qualified independent actuary.

The group's pension deficit is £66,762K (2010: £45,919K) based on the update to the fund by a qualified independent actuary as at 31 July 2012.

The current contribution rate payable by the institution is 27.6% (2011: 27.6%) of pensionable salaries. A new actuarial valuation of the scheme will be carried out on values at 31 March 2013.