MU VENTURES LIMITED

Annual Report

For the year ended
31 July 2016

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COMPANY No: 02381821

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MU VENTURES LIMITED

Company Information

Directors	Mark Gray Peter Vermeulen (resigned 24 March 2016) James Kennedy (appointed 06 June 2016)
Secretary	Janice Roscelli
Registered office	Middlesex University The Burroughs Hendon London NW4 4BT
Registered number	02381821
Bankers	Lloyds 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 present their report and the audited financial statements of the company for the year ended 31 July 2016.

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 £212,796 (2015: £197,541). Whist turnover on contract research and knowledge transfer activities increased by 13.9% the overall gross profit margin has been reduced from 10% to 3% mainly due to increased academic support costs and we were only able to secure lower value contracts in the current competitive climate. During the financial year ending 31 July 2017, the company aims to increase this income consistent with its strategy.

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

During the year the company completed a reduction of capital, which became effective on 4 April 2016. The company's called up share capital account was cancelled by £2,699,900 and its deficit on retained earnings on 23 March 2016 was eliminated. At the year end the company's retained earnings stood at £239,115 giving significant distributable reserves. The purpose of the capital reduction was to comply with new HMRC regulations, in that company gift aid payments now represent a lawful distribution and this would enable them to be allowable as a qualifying donation.

The directors do not recommend the payment of a dividend.

Directors

The directors who served throughout the year and to date were:

Mark Gray
Peter Vermeulen (resigned 24 March 2016)
James Kennedy (appointed 06 June 2016)

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Including Finanical Reporting Standard 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.

Report of the Directors (cont'd)

Directors' responsibilities statement (cont'd)

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable donations

This year the company intends to make no charitable donation to Middlesex Univerity paid under gift aid (2015: £12,879, paid 15 April 2015).

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 themself 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 28 November 2016 and signed on its behalf by:



James Kennedy
Director

MU Ventures Limited
INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MU VENTURES LIMITED

We have audited the financial statements of MU Ventures Limited for the year ended 31 July 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the accounting policies 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's member 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 member 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 member, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

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 and to the exemption from the requirement to prepare a strategic report.

William Lumsden (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, United Kingdom
Date: 15th December 2016

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

MU VENTURES LIMITED

Statement of Total Comprehensive Income

for the year ended 31 July 2016

	Notes	Year ended 31 July 2016 £	Year ended 31 July 2015 £
Turnover	2	**212,796**	197,541
Cost of sales		**(199,510)**	(166,947)
Gross profit		**13,286**	30,594
Administrative expenses		**(13,540)**	(20,639)
Operating (loss)/profit	3	**(254)**	9,955
Interest receivable	6	**946**	1,211
Profit on ordinary activities before taxation		**692**	11,166
Tax on profit on ordinary activities	8	**-**	-
Profit and total compreshensive income for the financial year		**692**	11,166

All results relate to continuing operations.

The company has no recognised gains/losses other than the profit for the financial year shown above. Accordingly no separate statement of other comprehensive income has been presented.

The notes on pages 10 to 15 form part of these financial statements.

MU VENTURES LIMITED

Statement of Financial Position

as at 31 July 2016

Company Number: 02381821

	Notes	As at 31 July 2016 £	As at 31 July 2015 £
Current assets			
Debtors: amounts falling due within one year	11	**124,506**	92,386
Cash at bank and in hand		**387,803**	224,685
		512,309	317,071
Creditors: amounts falling due within one year	12	**(273,094)**	(78,548)
Net current assets		**239,215**	238,523
NET ASSETS		**239,215**	238,523
Capital and reserves			
Called up share capital	13	**100**	2,700,000
Profit and loss account		**239,115**	(2,461,477)
SHAREHOLDERS' EQUITY		**239,215**	238,523

The notes on pages 10 to 15 form part of these financial statements.

In preparing these financial statements, advantage has been taken of the small companies exemption.

The financial statements of MU Ventures Limited, registered number 02381821 were approved by the directors and authorised for issue by the board on 28 November 2016.

James Kennedy
Director

MU VENTURES LIMITED

Statement of Changes in Equity

as at 31 July 2016

	Notes	Share capital	Profit and loss account	Total equity
		£	£	£
At 1 August 2014		**2,700,000**	**(2,459,764)**	**240,236**
Profit for the year		-	11,166	11,166
Charitable donation for the year	7	-	(12,879)	(12,879)
At 31 July 2015		**2,700,000**	**(2,461,477)**	**238,523**
Capital reduction		(2,699,900)	2,699,900	-
Profit for the year		-	692	692
At 31 July 2016		**100**	**239,115**	**239,215**

The notes on pages 10 to 15 form part of these financial statements.

Share capital: The nominal value of allotted and fully paid up ordinary share capital

Profit and loss account: Cumulative net gains and losses recognised in the Statement of Total Comprehensive Income, net of distributions paid.

Accounting Policies

Statutory information

MU Ventures Limited is a company domiciled in England and Wales, registration number 02381821. The registered office is shown on page 3.

A. Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') under the historical cost convention. The principal accounting policies, which the directors have adopted, are set out below.

This is the first year in which the financial statements have been prepared under FRS 102 and information of first-time adoption of FRS 102 is given in these accounting policies.

The financial statements are presented in Sterling (£).

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 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.

The accounts have been prepared using the reduced disclosure exemptions permitted by FRS 102. The accounts therefore do not include:

- A statement of cash flows
- Related party transactions with members within the wholly owned group including the aggregate remuneration of the key management personnel

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 1).

Consolidated Financial Statements

The financial statements contain information about MU Ventures Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the group accounts of Middlesex University, which are publicly available.

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 balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

Accounting Policies (cont'd)

C. Taxation (cont'd)

- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

D. Foreign currency

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year-end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

E. 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) 102, contributions are charged to the profit and loss account as if the scheme were a defined contribution scheme.

F. 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.

G. Financial Assets

Investments in subsidiary undertakings are stated at cost less provision for impairment in value.

Notes to the Financial Statements

1. Accounting Estimate and Judgements

In preparing this annual report, the directors and management have made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other facts, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation uncertainty are as follows:

A. Long term contract assessments

Determine whether income and any associated surplus from contracts entered into by the company can be recognised or income deferred to future periods. In making its judgement management consider the detailed criteria for the recognition of revenue including when the contract condition of receipt has been satisfied.

B. Trade debtors (see note 11)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

2 Turnover

	Year ended 31 July 2016	Year ended 31 July 2015
	£	£
The analysis of turnover by activity is as follows:		
Consultancy and contract research	**190,062**	165,985
Other activities	**22,734**	31,556
	212,796	197,541

Sales by geographical markets are analysed as 100% United Kingdom (2015: 92% UK, 8% Overseas)

3. Profit on ordinary activities before taxation

	Year ended 31 July 2016	Year ended 31 July 2015
	£	£
Profit on ordinary activities before taxation is arrived at after charging:		
Auditors' remuneration:		
- Fees payable to the Company's auditors for the audit of the Company's annual accounts	**9,950**	9,950

4. Staff

The average staff numbers (including directors), expressed on a full time equivalent basis, was Nil (2015: Nil)

	Year ended 31 July 2016	Year ended 31 July 2015
Staff costs during the year:	**£**	£
Wages and salaries	**1,776**	2,212
Social security costs	**152**	201
	1,928	2,413

5. Directors

The directors received no remuneration from this company (2015: Nil).

6. Interest receivable

	Year ended 31 July 2016 £	Year ended 31 July 2015 £
Bank deposit interest	946	1,211

7. Charitable donation

	Year ended 31 July 2016 £	Year ended 31 July 2015 £
The charitable donation payable for the current year	-	12,879

To comply with current HMRC regulations regarding gift aid payments now being a lawful distribution and this would enable them to be allowable as a qualifying donation, during the year the company completed a reduction of capital under which ordinary shares amounting to £2,699,900 were cancelled.

The reduction of capital was approved by the Company's directors at the Board Meeting on 23 March 2016 and became effective on 4 April 2016 following the filing that day at Companies House of the requisite High Court documents sanctioning the reduction of capital. The total amount cancelled of £2,699,900 was transferred to reserves, bringing the reserve to £239,215.

8. Tax on profit on ordinary activities

	Year ended 31 July 2016 £	Year ended 31 July 2015 £
No tax arises in respect of the current year as explained below:		
United Kingdom corporation tax		
Current tax on income for the year 20%	-	-
Tax on profit on ordinary activities	-	-
Total tax charge reconciliation		
Profit/(loss) on ordinary activities before taxation	**692**	11,166
Theoretical tax at UK corporation tax rate of 20% (2015: 20.67%)	**138**	2,308
Effects of:		
Expenses not deductible for tax purposes	**780**	681
Capital allowances in excess of depreciation	-	-
Other short term timing differences	**396**	-
Deferred tax not recognised	**(1,314)**	(327)
Gift aid payable	-	(2,662)
Total tax charge for the year	-	-

9. Deferred taxation

A deferred tax asset has not been recognised in respect of timing differences made up of accelerated capital allowances, provisions and unutilised trading losses as there is insufficient evidence that the assets will be recovered. The amount of the asset not recognised is £3,367 (2015: £2,304). The asset would be recovered if sufficient suitable taxable profits were to arise in the future against which it could be offset.

10. Financial assets

The company owns 76% of Middlesex University (Malta) Limited with 24% owed by STC International Limited. The investment held by the company in Middlesex University (Malta) Limited is stated at cost of £3,294 less a provision of £3,294 (2015: £3,294).

11. Debtors

	As at 31 July 2016 £	As at 31 July 2015 £
Trade debtors	**31,949**	82,694
Prepayments and accrued income	**92,557**	9,692
	124,506	92,386

Included with prepayments and accrued income are amounts recoverable on contracts of £92,557 (2015: £9,692).

12. Creditors: amounts falling due within one year

	As at 31 July 2016 £	As at 31 July 2015 £
Trade creditors	**2,411**	618
Other taxation and social security	**14,957**	2,953
Amounts owed to parent undertaking	**157,979**	27,932
Accruals and deferred income	**97,747**	47,045
	273,094	78,548

Included in accruals and deferred income are payments on account of £55,720 (2015: £29,297).

13. Called up share capital

	As at 31 July 2016 £	As at 31 July 2015 £
Allotted and fully paid		
100 (2015: 2.7m) ordinary shares of £1 each	**100**	2,700,000

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, an exempt charity under the meaning of Schedule 3 Charities Act 2011, and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). 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 1 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 following information is based upon a full actuarial valuation of the fund at 31st March 2013 updated to 31st July 2016 by a qualified independent actuary using financial assumptions that comply with FRS102.

The Group employer contributions expected to be paid into the scheme during the year ended 31 July 2017 is £6,761,000.

The liabilities have been assessed using the projected unit method, an estimate of the pension that will be payable in the future year are dependent on the following major assumptions:

	March 2013
Investment returns per annum	6.7%
Salary increases per annum*	3.9%
Pension increases per annum*	1.9%
Inflation (RPI increases per annum)*	2.9%
Inflation (CPI increases per annum)*	1.9%
Market value of assets at last actuarial valuation date	£798.337m
Proportion of members' accrued benefits covered by the actuarial value of assets	76.0%
Discount rate for liabilities*	2.4%
Current Employers contribution rate	11.3%

*Based on update to the fund as at 31 July 2016 by a qualified independent actuary.

The Group's pension deficit is £128,591,000 (2015: £99,349,000) based on the update to the fund by a qualified independent actuary as at 31 July 2016.

The current employer's contribution rate payable by the institution is 11.3% (2015: 11.3%) of pensionable salaries. In 2014 Middlesex University entered into a funding deficit recovery plan with the scheme administrator. This treatment required the cost of providing the pension benefits to be broken down into two distinct elements being current scheme funding of 11.3% from 1 April 2015 and a deficit reduction contribution of £3.64m in the year to 31 March 2017. The overall employers contribution rate payable is 26.6%.

16. First time adoption of FRS 102

There has been no impact on the previously reported income or equity as a result of the first time adoption of FRS 102.