Company Number: 02381821

MU VENTURES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended
31 July 2017

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MU VENTURES LIMITED

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for the year ended 31 July 2017

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MU VENTURES LIMITED

Company Information
for the year ended 31 July 2017

Directors	Mark Gray James Kennedy
Secretary	Janice Roscelli
Registered office	Middlesex University The Burroughs Hendon London NW4 4BT
Company number	02381821
Bankers	Lloyds Bank plc Silver Street Branch 1 Silver Street Enfield Middlesex EN1 3EE
Auditor	BDO LLP Chartered Accountants & Registered Auditor 2 City Place, Beehive Ring Road Gatwick West Sussex RH6 0PA

MU VENTURES LIMITED

Directors' Report
for the year ended 31 July 2017

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

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 £258,722 (2016: £212,796). Turnover and gross profit margin on contract research and knowledge transfer activities has increased in the year. There have not been any significant changes in the Company's activities. During the financial year ending 31 July 2018, 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

The directors do not recommend the payment of a dividend.

Directors

The directors who served throughout the year and to date were:
Mark Gray
James Kennedy

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 Financial 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.

Directors' Report (cont.)
for the year ended 31 July 2017

Directors' responsibilities statement (cont.)

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 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

The company made no payments during the year (2016: Nil) but intends to make £35,060 charitable donation to Middlesex University within 9 months of the year end.

Provision of information to auditor

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 auditor 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 auditor 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 auditor and a resolution to reappoint BDO LLP as auditor will be proposed at the forthcoming annual general meeting.

Directors' Report (cont.)
for the year ended 31 July 2017

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 Directors' Report was approved by the Board on 28 November 2017 and signed on its behalf by:



James Kennedy
Director

Independent Auditor's Report to members of MU Ventures Limited

Opinion

We have audited the financial statements of MU Ventures Limited ("the Company") for the year ended 31 July 2017 which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to members of MU Ventures Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Independent Auditor's Report to members of MU Ventures Limited

Responsibilities of Directors

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, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

BDO LLP

James Aston (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
Date: 29 November 2017

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

MU VENTURES LIMITED
Company number: 02381821

Statement of Total Comprehensive Income for the year ended 31 July 2017

	Note	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Turnover	3	**258,722**	212,796
Cost of sales		**(191,363)**	(199,510)
Gross profit		**67,359**	13,286
Administrative expenses		**(22,445)**	(13,540)
Operating profit/(loss)	4	**44,914**	(254)
Interest receivable	7	**370**	946
Profit on ordinary activities before taxation		**45,284**	692
Tax on profit on ordinary activities	9	**(6,895)**	-
Profit and total comprehensive income for the financial year		**38,389**	692

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 13 to 21 form part of these financial statements.

MU VENTURES LIMITED
Company number: 02381821

Statement of Financial Position
as at 31 July 2017

	Note	As at 31 July 2017	As at 31 July 2016
		£	£
Current assets			
Debtors: amounts falling due within one year	12	**166,887**	124,506
Cash at bank and in hand		**402,968**	387,803
		569,855	512,309
Creditors: amounts falling due within one year	13	**(292,251)**	(273,094)
Net current assets		**277,604**	239,215
NET ASSETS		**277,604**	239,215
Capital and reserves			
Called up share capital	14	**100**	100
Profit and loss account		**277,504**	239,115
SHAREHOLDERS' EQUITY		**277,604**	239,215

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 2017.

James Kennedy
Director

The notes on pages 13 to 21 form part of these financial statements.

MU VENTURES LIMITED
Company number: 02381821

Statement of Changes in Equity
as at 31 July 2017

	Note	Share capital	Profit and loss account	Total equity
		£	£	£
At 1 August 2015		**2,700,000**	**(2,461,477)**	**238,523**
Capital reduction		(2,699,900)	2,699,900	-
Profit for the year	8	-	692	692
At 31 July 2016		**100**	**239,115**	**239,215**
Profit for the year		-	38,389	38,389
At 31 July 2017		**100**	**277,504**	**277,604**

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.

The notes on pages 13 to 21 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 July 2017

1. 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.

The financial statements are presented in Sterling (£).

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.

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 2).

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.

Notes to the Financial Statements for the year ended 31 July 2017

1. Accounting policies (cont.)

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

- 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.

Notes to the Financial Statements for the year ended 31 July 2017

1. Accounting policies (cont.)

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 for the year ended 31 July 2017

2. 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 12)

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.

3. Turnover

	Year ended 31 July 2017 £	Year ended 31 July 2016 £
The analysis of turnover by activity is as follows:		
Consultancy and contract research	**210,240**	190,062
Other activities	**48,482**	22,734
	258,722	212,796

Sales by geographical markets are analysed as 100% United Kingdom (2016: 100% UK)

Notes to the Financial Statements for the year ended 31 July 2017

4. Profit on ordinary activities before taxation

	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Profit on ordinary activities before taxation is arrived at after charging:		
Auditor's remuneration:		
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	**10,249**	9,950

5. Staff

The average staff numbers (including directors), expressed on a full time equivalent basis, was Nil (2016: Nil)

	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Staff costs during the year:		
Wages and salaries	**720**	1,776
Social security costs	**71**	152
	791	1,928

6. Directors

The directors received no remuneration from this company (2016: Nil).

7. Interest receivable

	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Bank deposit interest	370	946

Notes to the Financial Statements for the year ended 31 July 2017

8. Charitable donation	Year ended 31 July 2017 £	Year ended 31 July 2016 £

All the profits of the company otherwise liable to corporation tax are to be paid under Gift Aid to Middlesex University. £35,060 charitable donation is proposed to be paid by 30 April 2018.

9. Tax on profit on ordinary activities	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Tax arises in respect of the current year as explained below:		
United Kingdom corporation tax		
Current tax on income for the year 19.67% (2016: 20%)	6,895	-
Tax on profit on ordinary activities	6,895	-
Total tax charge reconciliation		
Profit on ordinary activities before taxation	45,284	692
Theoretical tax at UK corporation tax rate of 19.67% (2016: 20%)	8,906	138
Effects of:		
Expenses not deductible for tax purposes	-	780
Other short term timing differences	(75)	396
Deferred tax not recognised	(1,936)	(1,314)
Total tax charge for the year	6,895	-

10. 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 £1,629 (2016: £3,367). The asset would be recovered if sufficient suitable taxable profits were to arise in the future against which it could be offset.

Notes to the Financial Statements for the year ended 31 July 2017

11. 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 (2016: £3,294).

12. Debtors

	As at 31 July 2017 £	As at 31 July 2016 £
Trade debtors	**69,347**	31,949
Prepayments and accrued income	**97,540**	92,557
	166,887	124,506

Included with prepayments and accrued income are amounts recoverable on contracts of £96,857 (2016: £92,557).

13. Creditors: amounts falling due within one year

	As at 31 July 2017 £	As at 31 July 2016 £
Trade creditors	**20,363**	2,411
Other taxation and social security	**22,114**	14,957
Amounts owed to parent undertaking	**80,005**	157,979
Accruals and deferred income	**169,769**	97,747
	292,251	273,094

Included in accruals and deferred income are payments on account of £142,822 (2016: £55,720).

14. Called up share capital

	As at 31 July 2017 £	As at 31 July 2016 £
Allotted and fully paid		
100 ordinary shares of £1 each	**100**	100

Notes to the Financial Statements for the year ended 31 July 2017

15. 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 within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Financial Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. Copies of the consolidated financial statements for Middlesex University can be obtained from www.mdx.ac.uk/about-us/policies/financial-statements.

16. 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 2016 updated to 31st July 2017 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 2018 is £6,997,000.

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:

Financial assumptions:	**March 2016**
Rate of increase in salaries*	2.8%
Rate of increase for pensions*	2.5%
Inflation (RPI increases per annum)*	3.5%
Inflation (CPI increases per annum)*	2.5%
Discount rate for liabilities*	2.7%
Current Employers contribution rate	11.3%

*Based on update to the fund as at 31 July 2017 by a qualified independent actuary.

Notes to the Financial Statements for the year ended 31 July 2017

16. Pension scheme (cont.)

The Group's pension deficit is £95,367,000 (2016: £128,591,000) based on the update to the fund by a qualified independent actuary as at 31 July 2017.

The current employer's contribution rate payable by the institution is 11.3% (2016: 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% of pensionable salaries and a deficit reduction contribution of £3.64m in the year to 31 July 2017. The overall employers contribution rate payable is 26.6%.