U W Enterprises Limited

Report and financial statements

31st July 2015

Company Registration: 6308721

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Report and financial statements for the year ended 31st July 2015

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Board of Directors

Professor Rosalind Foskett	Director (Chair)	(Retired 31st August 2014)
Dr. Christopher O'Malley	Director (Chair)	(From 2nd February 2015)
Mr. Rob Bonham	Director	(From 1st September 2014)
Mr. John Ryan MBE	Nominated officer	(Retired 31st July 2015)
Professor David Green	Director	
Professor Michael Clarke CBE	Independent member of the University Governors	(Retired 31st July 2015)
Mr. John Bateman OBE	Independent member of the University Governors	(Joined 1st August 2015)

Professional advisers

External independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers
Lloyds Bank
125 Colmore Row
Birmingham
B3 3SF

Solicitors

Shakespeare Martineau LLP
No 1 Colmore Square
Birmingham
B4 6AA

Insurance brokers

Henderson Insurance Brokers Limited
No. 1 Whitehall Riverside
Leeds
West Yorkshire
LS1 4BN

Directors' report

Scope of the financial statements

The audited financial statements presented by the Board of Directors comprise the results of the activities of U W Enterprises Limited registered company number 6308721, for the year ended 31st July 2015.

Results for the year

U W Enterprises Limited recorded a loss of £8,000 in the year ending 31st July 2015 (2014: loss £61,000). Sales have reduced by 52% during the year which was a result of a significant reduction in contracted activity. Due to the type of activity that has been undertaken only direct staff costs were incurred with no administration staff costs recharged from the parent organisation, the University of Worcester.

Principal Activities and business review

The principal activity of the company is to provide commercial applications to external customers following their development and research by the University of Worcester. During the year to 31st July 2015 these commercial activities related mainly to Allergen testing, arising out of the National Pollen Aerobiology Research Unit (NPARU).

NPARU continues to develop further opportunities through existing channels but also with new and exciting applications for its expertise. The nature of the activities being undertaken by NPARU has been reviewed and due to the majority of the work being classified as having 'public benefit' NPARU will be operated fully by the Science and Research Institutes within the University of Worcester. If any substantial commercial contracts are negotiated in the future this position will be reviewed.

On 13th June 2014 U W Enterprises Limited acquired 100% of the share capital of UW Worcester Wolves Limited. Although the company has taken advantage of the exemption under section 400 of the Companies Act 2006 to not consolidate the results of UW Worcester Wolves Limited in these financial statements, its Directors do attend UW Worcester Wolves Limited board meetings.

Going concern

In light of this decision to report all the activities of NPARU in future years solely in the University of Worcester, the Directors are exploring other potential commercial opportunities that would be applicable for U W Enterprises Limited. This review is on-going and as such in the meanwhile the full support of the University is required to maintain the company on a going concern basis.

U W Enterprises Limited is a wholly owned subsidiary of the University of Worcester. The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent undertaking, the University of Worcester.

The Directors have received confirmation that the University of Worcester intends to support the company for at least one year after these financial statements are signed.

Directors' report (continued)

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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. 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.

Qualifying third party indemnity provision

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:
(1) so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
(2) each Director has taken all the steps that they ought to have taken as a Director 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 and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report *(continued)*

Independent auditors

A resolution regarding the appointment of auditors will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.



Professor David Green

23rd November 2015

Director

Independent auditors' report to the members of U W Enterprises Limited

Report on the financial statements

Our opinion
In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 July 2015 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited
The financial statements, which are prepared by U W Enterprises Limited, comprise:

- Balance Sheet as at 31 July 2015;
- Profit and Loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 U W Enterprises Limited *(continued)*

Other matters on which we are required to report by exception
Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions
Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit
Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Richard Bacon

Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court, 19 Cornwall Street, B3 2DT
Date: 30 November 2015

Profit and Loss Account

	Note	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Turnover		28	58
Cost of sales	2	(22)	(55)
Gross profit		**6**	**3**
Administration Staff Costs	3	-	(21)
Other Operating expenses	4	(4)	(30)
Profit/(Loss) on ordinary activities before interest and taxation		**2**	**(48)**
Interest Payable and similar charges	5	(10)	(13)
Tax loss on ordinary activities	6	-	-
Loss for the financial year	11	**(8)**	**(61)**

There is no material difference between the profit/ (loss) on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalent. The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of recognised gains and losses has been presented.

Balance Sheet

	Note	31st July 2015 £000	31st July 2014 £000
Fixed Asset Investments	7	-	-
Current assets			
Debtors: amounts falling due within one year	8	5	19
Cash at bank and in hand		5	30
		10	**49**
Creditors: amounts falling due within one year	9	(219)	(150)
Net current liabilities		**(209)**	**(101)**
Debtors: amounts falling due after more than one year	8	500	500
Creditors: amounts falling due after more than one year	10	(500)	(600)
Net current Liabilities		**(209)**	**(201)**
Capital and reserves			
Profit and Loss Account	11	(219)	(211)
Called up share capital	12	10	10
Total shareholders' deficit		**(209)**	**(201)**

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 15 were approved by the Board of Directors on 23 November 2015 and signed on their behalf by:



Professor David Green
Director

Notes to financial statements for the year ending 31st July 2015

1. Statement of principal accounting policies

Basis of preparation

These financial statements have been prepared on the going concern basis under historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The company has not produced a cash flow statement in accordance with the exemption available under FRS 1 as a wholly owned subsidiary undertaking.

Going concern basis

The Directors believe that preparing the financial statements on the going concern basis is appropriate, notwithstanding the net liabilities position, due to the continued financial support of the ultimate parent organisation, the University of Worcester.

The Directors have received confirmation that the University of Worcester intends to support the company for at least one year after these financial statements are signed.

Recognition of income

The company does not include particulars of turnover relating to geographical markets or by class of business as a small company. It has adopted the exemption SI 2008/409 which does not require small companies to disclose these details. Income from contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Administration staff expenses

The company does not directly employ staff and any costs stated are a reflection of appropriate staffing recharges from the parent organisation, the University of Worcester. As such U W Enterprises Limited does not participate in any pension scheme and any disclosed costs include payments made by the parent organisation to the relevant schemes and recharged to the company.

Related parties

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by the University of Worcester whose financial statements are publicly available.

Notes to financial statements for the year ending 31st July 2015 *(continued)*

2. Cost of sales

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Direct staff costs	13	41
Direct materials	9	14
	22	55

3. Administration staff expenses

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Administration staff costs as recharged	-	21

Average monthly number of staff:

The number of persons (including Directors) employed by the company in the year, expressed as full time equivalents was 4 (2014: 4).

None of the Directors received any remuneration from the company. Each of the Directors is an Executive of the parent undertaking for which they carry out work. They are paid by the parent that makes no recharge to the subsidiary. Their role is chiefly that of non-executive Director overseeing the subsidiary's affairs on behalf of the parent.

Notes to financial statements for the year ending 31st July 2015 *(continued)*

4. Other operating charges

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Audit fees	2	2
Overheads	2	24
Other expenses	-	4
	4	30

Due to the decrease in activity during the year the University has recharged overhead costs based on a charge per hour as calculated in the Transparent Approach to Costing (TRAC) return. This has resulted in a minimal recharge for the year ending 31st July 2015.

5. Interest payable and similar charges

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Inter Group Interest	10	13
	10	13

Notes to financial statements for the year ending 31st July 2015 *(continued)*

6. Tax loss on ordinary activities

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Corporation Tax	-	-
Loss on ordinary activities before taxation	(8)	(61)
Rate of tax for the year	20%	20%
Loss on ordinary activities before taxation multiplied by the rate of tax for the year	(2)	(12)
Addition to tax losses	2	12
Current tax charge as above	-	-

No deferred tax asset has been recognised in relation to the tax losses carried forward.

7. Investments

On 13th June 2014 U W Enterprises Limited acquired 100% of the share capital of UW Worcester Wolves Limited. The total share capital issued by UW Worcester Wolves Limited was one ordinary share of £1.

8. Debtors

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Amounts falling due within one year		
Trade debtors	3	13
Other Debtors	2	6
	5	19
Amounts falling due after more than one year		
Amounts owed by group undertakings	500	500
	505	519

The amount owed by subsidiary undertakings above relates to the start-up loan issued to UW Worcester Wolves Limited. The loan becomes repayable in July 2017. The Directors of U W Enterprises Limited have reviewed the long term financial forecasts of the subsidiary company and are confident that UW Worcester Wolves Limited will be able to meet their liabilities, albeit the repayment date may need to be re-profiled.

Notes to financial statements for the year ending 31st July 2015 *(continued)*

9. Creditors: Amounts falling due within one year

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Trade Creditors	-	3
Amounts owed to group undertakings	217	113
Accruals and deferred income	2	34
	219	150

The amount owed to group undertakings above relates to the loan interest for the period 1st August 2014 to 31st July 2015, along with the installments of the loan which become repayable in July 2016. In light of the lack of trading within U W Enterprises Limited, negotiations regarding the repayment profile of the loan are due to be held with the University in the coming months.

10. Creditors: Amounts falling due after more than one year

	Year ended 31st July 2015 £000	Year ended 31st July 2014 £000
Amounts owed to group undertaking (due in 2-5 years)	500	600

Amounts owed to group undertakings are repayable by instalments as follows:

	£000	£000
Due within one year	217	113
Due in 1 - 2 years	500	100
Due in 2 - 5 years	-	500
	717	713

The amount owed to group undertakings due within in 2-5 years relates to the loan issued by the University of Worcester to U W Enterprises Limited, which was then used to issue the new start-up loan to UW Worcester Wolves Limited, as referred to in note 8 above.

Notes to financial statements for the year ending 31st July 2015 *(continued)*

11. Profit and Loss account

	Year ended 31st July 2015	Year ended 31st July 2014
	£000	£000
At beginning of year	(211)	(150)
Loss for the financial year	(8)	(61)
At end of year	(219)	(211)

12. Called up share capital

	Year ended 31st July 2015	Year ended 31st July 2014
	£000	£000
Authorised, allocated, called up and fully paid share capital: 10,000 ordinary shares of £1 each (2014: 10,000)	10	10

13. Parent and ultimate parent undertaking

The Company's immediate and ultimate parent undertaking is the University of Worcester. The University of Worcester is an independent corporation, established as a higher education corporation under the terms of the Education Reform Act of 1988 and the Further and Higher Education Act of 1992. The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993) and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. This is the parent of the smallest and largest group for which consolidated financial statements are prepared. Copies of the University of Worcester's financial statements may be obtained from The University of Worcester, Henwick Grove, Worcester WR2 6AJ.