

U W Enterprises Limited

Report and financial statements

For the year ended 31st July 2018

Company Registration: 06308721

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Report and financial statements for the year ended 31st July 2018

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Board of Directors

The following members served during the year:

Mr. Rob Bonham	Director
Professor David Green	Director
Mr. John Bateman OBE	Independent member of the University Governors

Registered Office

Henwick Grove
Worcester
WR2 6AJ

Professional advisers

External independent auditors

BDO LLP
2 Snow Hill
Birmingham
B4 6GA

Bankers

Lloyds Bank
125 Colmore Row
Birmingham
B3 3SD

Solicitors

Mills and Reeve
78-84 Colmore Row
Birmingham
B3 2AB

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 06308721, for the year ended 31st July 2018.

Board of Directors

The Directors who served during the year and up to the date of this report were:

Mr. Rob Bonham	Director
Professor David Green	Director

Results for the year

U W Enterprises Limited recorded a profit of £nil in the year ending 31st July 2018 (2017: profit £nil). The only financial transactions that took place during the year were the part settlement of a debtor balance along with a part settlement of a creditor owed to the ultimate parent undertaking, the University of Worcester.

Principal Activities and business review

The principal activity of the company was to provide commercial applications to external customers following their development and research by the University of Worcester. 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 is now being 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, however the Directors have planned for the submission of dormant accounts in the coming few years.

Going concern

In light of the decision to report all the activities of NPARU solely in the University of Worcester, the Directors have explored other potential commercial opportunities that would be applicable for U W Enterprises Limited, however due to the limited potential to attract and retain customers the Directors have planned for the submission of dormant accounts in the coming few years, until a point when a substantial commercial business activity may be negotiated. In preparation for this the loan agreement with the trading subsidiary UW Worcester Wolves Ltd will be novated across, during the coming year, to the ultimate parent company, the University of Worcester.

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.

The names of all persons who were Directors during any part of the year are provided on page 3.



Professor David Green

20th November 2018

Director

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

Opinion

We have audited the financial statements of U W Enterprises Limited ("the Company") for the year ended 31 July 2018 which comprise the Profit and Loss Account, the Balance Sheet, the 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 2018 and of its result 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 annual 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.

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.

Independent auditors' report to the members of U W Enterprises Limited (*continued*)

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 Directors' 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.

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 determine 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

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

Independent auditors' report to the members of U W Enterprises Limited (*continued*)

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.

Use of our report

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.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham

Date: 27 November 2018

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

U W Enterprises Limited financial statements 31st July 2018

Profit and Loss Account
For the year ended 31st July 2018

	<u>Note</u>	Year ended 31st July 2018 £000	Year ended 31st July 2017 £000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administration Staff Costs		-	-
Other Operating expenses		-	-
Profit on ordinary activities before interest and taxation	2	-	-
Interest Payable and similar charges		-	-
Tax on profit/ (loss) on ordinary activities	3	-	-
Profit for the financial year		-	-

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of comprehensive income has been presented.

The notes on pages 12 -16 form part of these financial statements.

U W Enterprises Limited financial statements 31st July 2018

Balance Sheet
As at 31st July 2018
Company Number: 06308721

	<u>Note</u>	31st July 2018 £000	31st July 2017 Restated £000
Fixed Asset Investments	4	-	-
Current assets			
Debtors: amounts falling due within one year	5	150	100
Cash at bank and in hand		-	-
		150	100
Creditors: amounts falling due within one year	6	(150)	(100)
Net current liabilities		-	-
Debtors: amounts falling due after more than one year	5	300	400
Creditors: amounts falling due after more than one year	7	(508)	(608)
Net Liabilities		(208)	(208)
Capital and reserves			
Called up share capital	8	10	10
Profit and Loss Account		(218)	(218)
Total shareholders' deficit		(208)	(208)

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

The notes on pages 12 -16 form part of these financial statements.

The financial statements on pages 9 to 16 were approved by the Board of Directors on 20 November 2018 and signed on their behalf by:



Professor David Green
 Director

Statement of Changes in Equity

For the year ended 31st July 2018

	Share Capital £000	Retained Earnings £000	Total £000
Balance as at 1 August 2017	10	(218)	(208)
Profit for the year	-	-	-
Total Comprehensive income for the year	-	-	-
Balance as at 31 July 2018	10	(218)	(208)

For the year ended 31st July 2017

	Share Capital £000	Retained Earnings £000	Total £000
Balance as at 1 August 2016	10	(218)	(208)
Profit for the year	-	-	-
Total Comprehensive income for the year	-	-	-
Balance as at 31 July 2017	10	(218)	(208)

Share capital

This reserve relates to the share capital issued to shareholders at nominal value.

Profit and loss account

This reserve relates to the cumulative net gains and losses recognised in the Profit and Loss Account, net of dividends paid.

The notes on pages 12 -16 form part of these financial statements.

Notes to financial statements for the year ending 31st July 2018

1. Statement of principal accounting policies

U W Enterprises Limited provided commercial applications to external customers following their development and research by the University of Worcester. The Company no longer continues to trade. The company is a private company limited by shares and is incorporated in England. The address of its registered office is Henwick Road, Worcester, WR2 6AJ. The presentation currency of these financial statements is Sterling.

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 102 as a wholly owned subsidiary undertaking. There are no critical estimates or key judgements in the financial statements presented for the year ended 31st July 2018.

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.

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss, except that a change attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Notes to financial statements for the year ending 31st July 2018

1. Statement of principal accounting policies (*continued*)

Financial instruments

Financial assets

Financial assets comprise cash at bank and in hand and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual amounts owed by group undertakings, and any subsequent impairment is recognised in the Profit and Loss Account.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise amounts due to group undertakings; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

Exemptions

The Company's ultimate parent undertaking, University of Worcester includes the Company in its consolidated financial statements. The consolidated financial statements of University of Worcester are prepared in accordance with FRS 102 and are available to the public and may be obtained from University of Worcester Group. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Financial Instruments;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Amounts owed from group undertakings

Determine whether there are any indications of impairment of the amounts due from the group undertakings. Factors taken into consideration in reaching such a decision include the financial position and the expected future financial performance of that entity.

Notes to financial statements for the year ending 31st July 2018 (continued)

2. Profit on ordinary activities before taxation

As the Company did not undertake any commercial trading activities within the year no administration staff costs have been recharged by the parent organisation, the University of Worcester (2017: £nil).

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.

The audit fee in relation to satisfying Companies House requirements has been met by the ultimate parent undertaking.

3. Tax on profit on ordinary activities

	Year ended 31st July 2018 £000	Year ended 31st July 2017 £000
Corporation Tax	-	-
Profit on ordinary activities before taxation	-	-
Rate of tax for the year	19%	20%
Profit on ordinary activities before taxation multiplied by the rate of tax for the year	-	-
Addition to tax losses	-	-
Current tax charge as above	-	-

4. Fixed Asset 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.

Notes to financial statements for the year ending 31st July 2018 (continued)

5. Debtors

	31st July 2018	31st July 2017
	£000	Restated £000
Amounts falling due within one year		
Amounts owed by group undertakings	150	100
	150	100
Amounts falling due after more than one year		
Amounts owed by group undertakings	300	400
	450	500

The amount owed by subsidiary undertakings above relates to the start-up loan issued to UW Worcester Wolves Limited. All repayments are passed directly through to the ultimate parent undertaking, the University of Worcester, reducing the outstanding creditor balance accordingly. The balance as at July 2017 has been restated to correct the loan repayment profile, which was renegotiated in October 2016. The restatement of this balance also applies to notes 6 and 7 below.

6. Creditors: Amounts falling due within one year

	31st July 2018	31st July 2017
	£000	Restated £000
Amounts owed to group undertakings	150	150
	150	100

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

	31st July 2018	31st July 2017
	£000	Restated £000
Amounts owed to group undertakings (due in 2-5 years)	508	608

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

	31st July 2018	31st July 2017
	£000	£000
Due within one year	150	100
Due in 1 - 2 years	100	100
Due in 2 - 5 years	408	508
	658	708

Notes to financial statements for the year ending 31st July 2018 (continued)

7. Creditors: Amounts falling due after more than one year (continued)

The amount owed to group undertakings relates to the loan issued by the University of Worcester to U W Enterprises Limited, of which £500K was then used to issue the new start-up loan to UW Worcester Wolves Limited, as referred to in note 5. As at 31st July 2018 the outstanding balance relating to this loan was £450K.

In light of the lack of trading within U W Enterprises Limited, the repayment profile of the remaining £208K element of the loan, was re-negotiated and the University of Worcester has suspended repayments and interest on the loan until a point when the company re-commences trading activities.

8. Called up share capital

Authorised, allocated, called up and fully paid share capital: 10,000 ordinary shares of £1 each (2017: 10,000)

31st July 2018 £000	31st July 2017 £000
10	10

There is a single class of ordinary share capital. There are no restrictions on the distribution of dividends and the repayment of capital.

9. 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.

10. Related parties

The Company is a wholly-owned subsidiary of the University of Worcester and has taken advantage of the exemption not to disclose transactions with its parent company or other wholly-owned subsidiaries within the group.