

BRUNEL UNIVERSITY ENTERPRISES LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JULY 2016

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Company No. 4237327

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

Company Information

DIRECTORS

P. Thomas

J. E. Robinson

T Waller

G. J. Rodgers

T Strachan

appointed 30 November 2015

REGISTERED OFFICE

Brunel Enterprise Centre

Brunel University

Kingston Lane

Uxbridge

Middlesex

UB8 3PH

COMPANY NUMBER

4237327

BANKERS

HSBC Bank plc

PO Box 41

High Street

Uxbridge

Middlesex

UB8 1BY

AUDITORS

KPMG LLP

15 Canada Square

Canary Wharf

London

E14 5GL

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

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**BRUNEL UNIVERSITY ENTERPRISES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2016**

REVIEW OF BUSINESS

The directors present their report and financial statements for the year ending 31 July 2016.

The main activities of the company are to add value to its parent Brunel University by pursuing activities principally through the commercial exploitation of assets, tangible and intangible, held by and generated within the University and through the management and administration of the Brunel Science Park.

Commercialisation can include Brunel University Enterprises Limited (BUEL) taking a shareholding in companies, including spinouts and licencing Brunel or BUEL Intellectual Property (IP). The Science Park management includes services to tenants, marketing, tenant relations, estate management and operating the Brunel car park.

The income generated and profit achieved from the car parking operation and Science Park management were as anticipated with the profit before taxation generated on the activities as follows:

	2016	2015
Profit on Science Park Operation	90,971	109,821
Profit on Car Parking Operation	132,336	96,331
Spinout company profit /(loss) including impairment review	51,033	(74,847)
	<u>274,340</u>	<u>131,305</u>

Dynamic Extractions Limited, an existing spinout company of BUEL that had previously been impaired to £1, received interest from a third party investor and moved into their premises in Wales. With the much more favourable outlook of the company, BUEL participated in a rights issue to purchase a further £58,000 in shares at 30p per share. BUEL also consider the original shareholding to be more valuable and accordingly have positively restated the value of the original shares to £62,056. This increases the Investment at cost in Dynamic Extractions to £120,057.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks for Brunel University Enterprises Limited are the removal of support by Brunel University London, its parent company and the possibility that future requirements of Brunel University London reduce the areas Brunel University Enterprises Limited are able to let out to Science Park Tenants.

FUTURE DEVELOPMENTS

The existing core income streams of the car park and Science Tenancy occupation will continue to show a healthy profit in excess of £150k with the spinout activity being largely cost neutral. There are no significant changes to the business model to report.

GOING CONCERN

The Directors have reviewed the financial position of the company and have considered the budget for the year ahead in their assessment of adopting the going concern basis for the preparation of the financial statements. Moreover, assurances have been provided by the company's ultimate parent, Brunel University regarding timing of any repayment of the amounts owed to the University. The Directors therefore, have made an assessment that the company will be able to manage its working capital and existing resources to enable it to meet its liabilities as they fall due.

Based on these factors, the Directors have prepared the financial statements on the going concern basis

The results for the year ended 31 July 2016 are set out on page 8

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
DIRECTORS' REPORT FOR THE
YEAR ENDED 31 JULY 2016**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, and to 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.

DIRECTORS

The directors who served during the period were as follows:

P. Thomas
T Strachan
G Rodgers
J. E. Robinson
T Waller

None of the directors had any beneficial interests in the issued ordinary share capital.

AUDITORS

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

OTHER INFORMATION

There have been no significant events that have occurred since the end of the financial year. Any likely future developments are covered in the Strategic Report on page 3.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year

OWNERSHIP

The company is wholly owned by Brunel University, a Charter Corporation governed by the laws of England.

This report was approved by the board, and signed on its behalf on 17 November 2016.



Chair - Professor G Rodgers

BRUNEL UNIVERSITY ENTERPRISES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2016

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 elected to prepare the financial statements in accordance with UK Accounting Standards. The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRUNEL UNIVERSITY ENTERPRISES LIMITED

We have audited the financial statements of Brunel University Enterprises Limited for the year ended 31 July 2016 set out on pages 8 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK General Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable* in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion of 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 UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 BRUNEL UNIVERSITY ENTERPRISES LIMITED (Continued)**

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified any material misstatements in the report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Sayers (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

29 November 2016

BRUNEL UNIVERSITY ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016

		Year to 31 July 2016	Year to 31 July 2015
		£	£
Turnover		557,601	565,770
Cost of sales		(240,715)	(259,566)
Gross profit		<u>316,886</u>	<u>306,204</u>
Miscellaneous income		2,299	3,185
Administration expenses		(44,845)	(177,965)
Dividends from shares in group undertakings		0	0
Operating Profit	Note 2	<u>274,340</u>	<u>131,424</u>
Interest payable		0	(119)
Profit on ordinary activities before taxation		<u>274,340</u>	<u>131,305</u>
Taxation	Note 6	(42,544)	(39,223)
Profit for the financial year		<u>231,796</u>	<u>92,082</u>
Total comprehensive income for the year		<u><u>231,796</u></u>	<u><u>92,082</u></u>

All results are from continuing operations

In the year, there was no difference between the profit for the financial year and total comprehensive income for the year stated above and their historical cost equivalents.

The notes on pages 11 to 14 form part of these financial statements.

BRUNEL UNIVERSITY ENTERPRISES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016

	Called up Share Capital	Profit and Loss account	Total Equity
Balance at 1 August 2014	1	108,264	108265
Total Comprehensive Income for the period			
Profit after taxation	0	92,082	92,082
Gift Aid Payment	0	(189,788)	(189,788)
Tax Credit on gift-aid	0	39,223	39,223
Balance at 31 July 2015	<u>1</u>	<u>49,781</u>	<u>49,782</u>
Balance at 1 August 2015	1	49,781	49,782
Total Comprehensive Income for the period			
Profit after taxation	0	231,796	231,796
Gift Aid Payment	0	(212,719)	(212,719)
Tax Credit on gift-aid	0	42,544	42,544
Balance at 31 July 2016	<u>1</u>	<u>111,402</u>	<u>111,403</u>

BRUNEL UNIVERSITY ENTERPRISES LIMITED
BALANCE SHEET
AT 31 JULY 2016

		As at 31 July 2016	As at 31 July 2015
		£	£
FIXED ASSET INVESTMENTS	Note 7		
Participating interests		<u>120,394</u>	<u>148</u>
		120,394	148
CURRENT ASSETS			
Debtors:	Note 8		
due within one year		25,788	90,335
due after one year		<u>0</u>	<u>3</u>
		25,788	90,338
Cash at bank and in hand		<u>83,714</u>	<u>255,542</u>
		109,502	345,880
Creditors (amounts falling due within one year)	Note 9	118,493	296,246
NET CURRENT ASSETS		<u>(8,991)</u>	<u>49,634</u>
TOTAL NET ASSETS		<u>111,403</u>	<u>49,782</u>
CAPITAL AND RESERVES			
Called-up share capital	Note 10	1	1
Profit and loss account		<u>111,402</u>	<u>49,781</u>
		111,403	49,782
EQUITY SHAREHOLDER'S FUNDS		<u>111,403</u>	<u>49,782</u>

The notes on pages 11 to 14 form part of these financial statements.

The financial statements were approved by the board and signed on its behalf on 17 November 2016



Director
Geoff Rodgers

**BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES

Basis of Accounting

BUEL is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 (FRS 102), applicable in the UK and the Republic of Ireland as issued August 2014 and amended in July 2015.

In the transition to FRS 102 BUEL has not been required to make any transitional adjustments.

The Company's ultimate parent undertaking, Brunel University London, includes the company in its consolidated financial statements. The consolidated financial statements of Brunel University London are prepared in accordance with FRS 102 and are freely available to the public on their website. In these financial statements the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

Cash flow statement and related notes
Key management personnel compensation

The financial statements have been prepared the historical cost basis.

Going Concern

The Directors have reviewed the financial position of the company and have considered the budget for the year ahead in their assessment of adopting the going concern basis for the preparation of the financial statements. The Directors therefore, have made an assessment that the company will be able to manage its working capital and existing resources to enable it to meet its liabilities as fall due.

Based on these factors, the Directors have prepared the financial statements on a going concern basis.

Turnover

Turnover, which is stated net of Value Added Tax, represents amounts invoiced to Science Park tenants for rent and service charges. Turnover arises entirely within the United Kingdom.

Operating Leases

All leases are operating leases, and the annual rentals are charged to operating profit on a straight line basis over the lease term.

Lease of premises

The premises occupied by BUEL have been leased from Brunel University for the period until 31 July 2031. The premises may be sub-let, but only for specific uses that are set out in the Lease.

Deferred taxation

Deferred tax is provided in full on an undiscounted basis, on all timing differences which result in an obligation at the balance sheet date, to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements.

Fixed Asset Investments

In view of the difficulty in obtaining reliable figures of the fair value of the investments in spin-out companies, BUEL has stated the value of these companies at cost less impairment, a concession allowed under FRS 102 concept "benefit versus cost"

Cash and Cash equivalents

Cash and cash equivalents are solely instant access bank balances.

Judgements in applying accounting estimates

The Directors consider the investment in the spin-out company Dynamic Extractions Limited with an investment of £128,229 to be impaired back to £120,057. As there was a rights issue in 2016 where a third party investor paid 30p per share, this re-assessment of the value of company is considered appropriate.

OPERATING PROFIT

2.	2015-16	2014-15
Operating profit is stated after charging:	£	£
Operating lease rentals (other)	78,000	78,000
Auditors' remuneration	<u>2,750</u>	<u>2,500</u>

DIRECTORS' EMOLUMENTS

3. Directors' emoluments of £Nil were paid or payable by the company during the year (2015 - £Nil).

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2016

4. EMPLOYEE INFORMATION

There were two people seconded from Brunel University. The employees of Brunel University are members of two University pension schemes, the Universities' Superannuation Scheme and the London Pensions Fund Authority scheme. Brunel University contributes to these defined benefit schemes, and these contributions are included in the staff costs in the University's accounts.

	2015-16	2014-15
	£	£
Salaries and wages	79,574	87,055
Social security costs	7,393	7,136
Pension costs	13,401	12,949
Redundancy costs	0	10,990
	<u>100,368</u>	<u>118,130</u>

5. GIFT AID PAYABLE

As a wholly owned subsidiary of a charitable body, the company will make gift aid payments to Brunel University within 9 months of the 15-16 year end to eliminate the profit chargeable to corporation tax in 2015-16

	2015-16	2014-15
	£	£
Payment relating to 14-15 year accrued	0	189,788
Payment relating to 15-16 year accrued	32,719	0
Payment relating to 15-16	180,000	0
	<u>212,719</u>	<u>189,788</u>

6. TAXATION

	2015-16	2014-15
	£	£
Current tax on income for the period (all UK Corporation tax)	42,544	39,223
Deferred tax - origination and reversal of timing differences	0	0
Total tax recognised in profit and loss account	<u>42,544</u>	<u>39,223</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2014: higher) than the standard rate of corporation tax in the UK (20%, 2015:20.667%). The differences are explained below.

	2015-16	2014-15
	£	£
Profit excluding taxation	<u>274,340</u>	<u>131,305</u>
Tax using the UK corporation tax rate of 20% (2015; 20.667%)	54,868	27,137
Expenses non-deductible for tax purposes	(12,324)	12,086
Total current tax charge (see above) recognised in profit and loss account	<u>42,544</u>	<u>39,223</u>
Taxation recognised in the profit and loss account	42,544	39,223
Taxation recognised directly in equity	(42,544)	(39,223)
Total taxation expense	<u>0</u>	<u>(0)</u>

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2016

7. INVESTMENTS

	Participating £
At 1 August	148
Additions in year	69,334
Reversal of impairments in year	50,912
At 31 July	<u>120,394</u>

	Number of shares held	Nominal value	Cost (£)	Value	% of issued share capital
Participating interests:					
Cascade Fund Management Limited	20	£1	£20	£1	20.00%
Vizzata Limited	33,332	£0.01	£333	£333	15.15%
Dynamic Extractions Limited	393,258	£0.001	£128,229	£120,057	10.02%
Cumberland Initiative Limited	1	£1	£1	£1	100.00%
HecoAnalytics Limited	1	£1	£1	£1	100.00%
Performance Brunel Ltd	127	£1	£127	£1	43.33%
			<u>£128,711</u>	<u>£120,394</u>	

A December 2015 rights issue at Dynamic Extractions Limited (DE) participated in by a third party investor at £0.30 per share has been the only recent transaction. Neither DE nor Vizzata has a reliable projection of turnover and accordingly the company has decided to value the investments at cost rather than fair value.

8. DEBTORS

	2016	2015
	£	£
Debtors due within one year:		
Debtors	25,788	90,335
	<u>25,788</u>	<u>90,335</u>
Debtors due after one year:		
Loan to Park Fund	0	3
	<u>0</u>	<u>3</u>

9. CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Creditors including taxation	15,578	7,206
Accruals and deferred income	67,136	80,824
Amounts owing to parent undertaking: Brunel University	35,779	207,216
	<u>118,493</u>	<u>295,246</u>

The amounts owed to Group undertakings are unsecured, interest-free, and have a 30 day payment date for repayment from invoice date.

BRUNEL UNIVERSITY ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2016

10. CALLED-UP SHARE CAPITAL

		2016	2015
Authorised:	1000 Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, issued and fully paid:	1 Ordinary shares of £1 each	<u>£1</u>	<u>£1</u>

1 ordinary share of £1 each was issued at par on 19 June 2001.

11. RELATED PARTY TRANSACTIONS

The company has had material transactions with its ultimate parent, Brunel University. These transactions are eliminated in the Consolidated Financial Statements of Brunel University which are publicly available. Accordingly, the company has availed itself of the dispensation in FRS102 not to disclose such items in these financial statements.

12. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is Brunel University, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Brunel University's consolidated financial statements can be obtained from its administrative headquarters, Kingston Lane, Uxbridge, Middlesex,

13. CAPITAL COMMITMENTS

The company had no capital expenditure commitments at 31 July 2016 (2015 - Nil).

14. CONTINGENT LIABILITIES

In the opinion of the directors, the company had no material contingent liabilities at 31 July 2016 (2015 - Nil).

15. FINANCIAL COMMITMENTS

At 31 July 2016, the company had annual commitments under non-cancellable operating leases for the rent of land and buildings expiring as follows:

	2016	2015
	£	£
Within one year	78,000	78,000
Within two to five years	312,000	312,000
After five years	<u>780,000</u>	<u>858,000</u>
	<u>1,170,000</u>	<u>1,248,000</u>