

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**

**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**



**Company No. 4237327**

**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2018**

**Company Information**

**DIRECTORS**

P. Thomas	
T Strachan	resigned 05 July 2018
T Waller	
G. J. Rodgers	
P. Bent	appointed 05 July 2018

**REGISTERED OFFICE**

Brunel Enterprise Centre  
Brunel University  
Kingston Lane  
Uxbridge  
Middlesex  
UB8 3PQ

**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 2018**

**CONTENTS**

Page	3	Strategic Report
	4	Directors' Report
	5	Directors' Responsibilities Statement
	6 - 7	Independent Auditors' Report
	8	Profit and Loss Account and Other Comprehensive Incc
	9	Statement of changes in Equity
	10	Balance Sheet
	9	Reconciliation of Movements in Shareholder's Funds
	10 - 14	Notes to the Financial Statements

**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JULY 2018**

**REVIEW OF BUSINESS**

The directors present their report and financial statements for the year ending 31 July 2018.

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:

	<b>2018</b>	2017
Profit on Science Park Operation	<b>32,307</b>	68,641
Profit on Car Parking Operation	<b>138,222</b>	146,328
Spinout company profit /(loss) including impairment review	<b>(22,069)</b>	(13,715)
	<u><b>148,460</b></u>	<u>201,254</u>

Profit from the Science Park has fallen in 2017-18 as more space was required by Brunel University London and tenant space was sacrificed, with the intercompany rent being reduced also.

**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 fees for staff parking and pay & display will continue to show a healthy profit in excess of £150k with the spinout activity being approximately a £20k cost. There are no plans to increase or reduce the amount of tenants further in 2018-19.

**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 2018 are set out on page 8

**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
DIRECTORS' REPORT FOR THE  
YEAR ENDED 31 JULY 2018**

**DIRECTORS**

The directors who served during the period were as follows:

P. Thomas  
T Strachan  
G Rodgers  
P. Bent  
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.

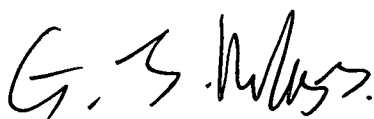
**POLITICAL CONTRIBUTIONS**

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 22 November 2018



Chair - Professor G Rodgers

Company No. 4237327

**BRUNEL UNIVERSITY ENTERPRISES LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 JULY 2018**

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 AUDITOR'S REPORT TO THE MEMBERS OF BRUNEL UNIVERSITY ENTERPRISES LIMITED**

### **Opinion**

We have audited the financial statements of Brunel University Enterprises Limited ("the company") for the year ended 31 July 2018 which comprise the statement of income and retained earnings, the statement of financial position and related notes, including the accounting policies in note 1.

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 the profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards including FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going Concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the Financial statements. We have nothing to report in these respects.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

**INDEPENDENT AUDITORS' REPORT TO THE  
MEMBERS OF BRUNEL UNIVERSITY ENTERPRISES LIMITED (Continued)**

**Directors' responsibilities**

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; such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditresponsibilities](http://www.frc.org.uk/auditresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



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

28 November 2018



**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JULY 2018**

		Year to 31 July 2018	Year to 31 July 2017
		£	£
Turnover	Note 1	390,333	548,788
Cost of sales		(130,354)	(237,643)
Gross profit		<u>259,979</u>	<u>311,145</u>
Miscellaneous income		2,592	1,775
Administration expenses		(114,111)	(111,666)
Dividends from shares in group undertakings		0	0
Operating Profit	Note 2	<u>148,460</u>	<u>201,254</u>
Interest payable		0	0
Profit on ordinary activities before taxation		<u>148,460</u>	<u>201,254</u>
Taxation	Note 6	(28,207)	(39,600)
Profit for the financial year		<u>120,253</u>	<u>161,654</u>
Total comprehensive income for the year		<u><u>120,253</u></u>	<u><u>161,654</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 2018**

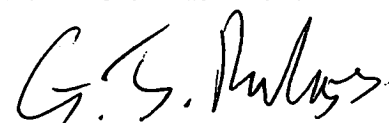
	Called up Share Capital	Profit and Loss account	Total Equity
Balance at 1 August 2016	1	111,402	111,403
Total Comprehensive Income for the period			
Profit after taxation	0	161,654	161,654
Gift Aid Payment	0	(201,353)	(201,353)
Tax Credit on gift-aid	0	39,600	39,600
Balance at 31 July 2017	<u>1</u>	<u>111,303</u>	<u>111,304</u>
Balance at 1 August 2017	1	111,303	111,304
Total Comprehensive Income for the period			
Profit after taxation	0	120,253	120,253
Gift Aid Payment	0	(148,460)	(148,460)
Tax Credit on gift-aid	0	28,207	28,207
Balance at 31 July 2018	<u>1</u>	<u>111,303</u>	<u>111,304</u>

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**BALANCE SHEET**  
**AT 31 JULY 2018**

		As at 31 July 2018	As at 31 July 2017
		£	£
<b>FIXED ASSET INVESTMENTS</b>	Note 7		
Participating interests		<u>120,397</u>	<u>120,394</u>
		<b>120,397</b>	<b>120,394</b>
<b>CURRENT ASSETS</b>			
Debtors:	Note 8		
due within one year		5,473	26,680
due after one year		<u>0</u>	<u>0</u>
		<b>5,473</b>	<b>26,680</b>
Cash at bank and in hand		<u>43,622</u>	<u>75,729</u>
		<b>49,095</b>	<b>102,409</b>
Creditors (amounts falling due within one year)	Note 9	<b>58,188</b>	111,499
<b>NET CURRENT ASSETS</b>		<u>(9,093)</u>	<u>(9,090)</u>
<b>TOTAL NET ASSETS</b>		<u><b>111,304</b></u>	<u><b>111,304</b></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	Note 10	1	1
Profit and loss account		<u>111,303</u>	<u>111,303</u>
		<b>111,304</b>	<b>111,304</b>
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<u><b>111,304</b></u>	<u><b>111,304</b></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 22 November 2018



Director  
Geoff Rodgers

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**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.

	2017-18	2016-17
	£	£
<b>1 TURNOVER</b>		
Tenancy Income	190,243	331,806
Car park Income	186,923	189,328
Other income	13,167	27,654
	<u>390,333</u>	<u>548,788</u>

Available lettable area was reduced by Brunel University as it occupied such areas itself causing a reduction in tenancy income.

**OPERATING PROFIT**

	2017-18	2016-17
	£	£
<b>2.</b>		
Operating profit is stated after charging:		
Operating lease rentals (other)	25,584	78,000
Auditors' remuneration	<u>2,870</u>	<u>2,800</u>

**DIRECTORS' EMOLUMENTS**

3. Directors' emoluments of £Nil were paid or payable by the company during the year (2017 - £Nil).

**BRUNEL UNIVERSITY ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 JULY 2018**

**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.

	2017-18	2016-17
	£	£
Salaries and wages	82,742	81,432
Social security costs	9,142	8,994
Pension costs	14,056	14,489
Redundancy costs	0	0
	<u>105,940</u>	<u>104,915</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 17-18 year end to eliminate the profit chargeable to corporation tax in 2017-18

	2017-18	2016-17
	£	£
Payment relating to 16-17 year accrued	0	26,353
Payment relating to 16-17 paid July 17	0	175,000
Payment relating to 17-18 year accrued	13,460	0
Payment relating to 17-18 paid July 18	135,000	0
	<u>148,460</u>	<u>201,353</u>

**6. TAXATION**

	2017-18	2016-17
	£	£
Current tax on income for the period (all UK Corporation tax)	28,207	39,600
Deferred tax - origination and reversal of timing differences	0	0
Total tax recognised in profit and loss account	<u>28,207</u>	<u>39,600</u>

**Factors affecting the tax charge for the current period**

The current tax charge for the period is lower (2017: lower) than the standard rate of corporation tax in the UK (19.0%, 2017 = 19.667%). The differences are explained below.

	2017-18	2016-17
	£	£
Profit excluding taxation	<u>148,460</u>	<u>201,254</u>
Tax using the UK corporation tax rate of 19.0% (2017; 19.667%)	28,207	39,580
Tax on expenses non-deductible for tax purposes	0	20
Total current tax charge (see above) recognised in profit and loss account	<u>28,207</u>	<u>39,600</u>
Taxation recognised in the profit and loss account	28,207	39,600
Taxation recognised directly in equity	(28,207)	(39,600)
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 2018**

**7. INVESTMENTS**

	<b>Participating £</b>
At 1 August	120,394
Additions in year	3
Reversal of impairments in year	0
<b>At 31 July</b>	<u><u>120,397</u></u>

	Number of shares held	Nominal value	Cost (£)	Value	% of issued share capital
<b>Participating interests:</b>					
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%
Syngenious Limited	1	£1	£1	£1	100.00%
Vulcanaer Limited	1	£1	£1	£1	100.00%
Testavec Limited	1	£1	£1	£1	100.00%
Performance Brunel Ltd	127	£1	£127	£1	43.33%
			<u>£128,714</u>	<u>£120,397</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**

	<b>2018</b>	2017
	<b>£</b>	£
<b>Debtors due within one year:</b>		
Debtors	5,473	26,680

**9. CREDITORS: amounts falling due within one year**

	<b>2018</b>	2017
	<b>£</b>	£
Creditors including taxation	10,590	13,960
Accruals and deferred income	34,138	70,450
Amounts owing to parent undertaking: Brunel University	13,460	27,089
	<u>58,188</u>	<u>111,499</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 2018**

**10. CALLED-UP SHARE CAPITAL**

		<b>2018</b>	2017
Authorised:	1000 Ordinary shares of £1 each	<u><b>£1,000</b></u>	<u>£1,000</u>
Allotted, issued and fully paid:	1 Ordinary shares of £1 each	<u><b>£1</b></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, UB8

**13 CAPITAL COMMITMENTS**

The company had no capital expenditure commitments at 31 July 2018 (2017 - Nil).

**14. CONTINGENT LIABILITIES**

In the opinion of the directors, the company had no material contingent liabilities at 31 July 2018 (2017 - Nil).

**15. FINANCIAL COMMITMENTS**

At 31 July 2018, the company had annual commitments under non-cancellable operating leases for the rent of land and buildings expiring as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Within one year	<b>25,584</b>	78,000
Within two to five years	<b>102,336</b>	312,000
After five years	<u><b>204,672</b></u>	<u>780,000</u>
	<u><b>332,592</b></u>	<u>1,170,000</u>