

University College Cardiff Consultants Limited
(a company limited by guarantee)

Annual report and financial statements

for the year ended 31 July 2018

Registered number 1477909



University College Cardiff Consultants Limited

(a company limited by guarantee)

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Directors and advisers

Directors

D M Davies (resigned 7th August 2017)
N B Bourne
D R Simpson
R E Williams (appointed 8th August 2017)
D G Bembo (appointed 2nd January 2018)

Secretary and registered office

S Marchant
University College Cardiff Consultants Limited
30-36 Newport Road
Cardiff
CF24 0DE

Bankers

Lloyds Bank
1 Queen Street
Cardiff
CF10 2AF

Co-Operative Bank plc
16-17 High Street
Cardiff
CF10 1AX

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

Directors' Report **for the year ended 31 July 2018**

The directors present their annual report and the audited financial statements for the year ended 31 July 2018.

Principal activities

The company's principal activity is the commercialisation of the intellectual property and other outputs of research generated by the academic Schools of Cardiff University. This is achieved through the evaluation, protection and licensing of intellectual property rights under a framework agreement made between the company and the University. The company is responsible for managing the portfolio of patents arising from the University's work.

Financial summary

During the year income of £2,365k (2017: £1,818k) was received from royalties and dividends. Payments of £731k (2017: £797k) were paid to inventors and £1,038k (2017: £593k) was paid to Cardiff University. £526k (2017: £406k) was paid out in legal fees and patent costs. The year-end financial position (as set out on the Balance Sheet on page 8) was satisfactory and the directors believe that the prospects of the company are good.

Dividends

The directors have neither recommended nor paid any dividends during or in respect of the year ended 31 July 2018 (2017 - £Nil).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent, Cardiff University. The directors have received confirmation that Cardiff University intends to support the company for at least one year after the date of signing these financial statements.

Directors

The directors of the company in office during the year ended 31 July 2018 and up to the date of the signing of the financial statements (unless otherwise stated) are listed on page 1.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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.

Independent auditors

The auditors PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' Report **for the year ended 31 July 2018 (continued)**

Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

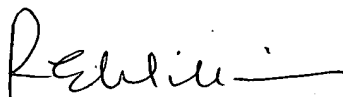
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* Section 1A 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;
- state whether applicable UK Accounting Standards comprising FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

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.

This report was approved by the board on 01 November 2018 and was signed on behalf of the board by:



Director
R E Williams

18 March 2019

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***Independent auditors' report to the members of
University College Cardiff Consultants Limited***

Report on the audit of the financial statements

Opinion

In our opinion, University College Cardiff Consultants Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a

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guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 July 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemption

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.

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Lynn Pamment (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
18 March 2019

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Statement of comprehensive income
for the year ended 31 July 2018

	Note	2018 £'000	2017 £'000
Turnover		2,365	1,818
Cost of sales		(2,296)	(1,796)
Gross profit		69	22
Administrative expenses		(5)	(14)
Operating profit	2	64	8
Interest payable and similar charges		(9)	(8)
Result for the financial year		55	-

The notes on pages 11 to 16 form part of these financial statements.

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Balance sheet as at 31 July 2018

Registered Number: 1477909

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	4	<u>6</u>	<u>6</u>
Current assets			
Debtors	5	332	347
Cash at bank and in hand		<u>398</u>	<u>462</u>
		730	809
Creditors: amounts falling due within one year	6	<u>(756)</u>	<u>(890)</u>
Net current liabilities		<u>(26)</u>	<u>(81)</u>
Total assets less current liabilities		(20)	(75)
Creditors: amounts falling due after more than one year	7	<u>(600)</u>	<u>(600)</u>
Net liabilities		<u>(620)</u>	<u>(675)</u>
Capital and reserves			
Profit and loss account	9	<u>(620)</u>	<u>(675)</u>
Total shareholders' deficit	10	<u>(620)</u>	<u>(675)</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies subject to the small companies' regime of the Companies Act 2006.

The financial statements on pages 8 to 16 were approved by the Board of Directors on 01 November 2018 signed on its behalf by:



R E Williams

Director

18 March 2019

The notes on pages 11 to 16 form part of these financial statements.

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Statement of changes in equity for the year ended 31 July 2018

	Profit and loss account	Total shareholders deficit
	£'000	£'000
Balance at 1 August 2016	(675)	(675)
Result for the financial year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-
Balance at 31 July 2017	(675)	(675)
Profit for the financial year	55	55
Other comprehensive income for the year	-	-
Total comprehensive income for the year	55	55
Balance at 31 July 2018	(620)	(620)

Notes to the financial statements for the year ended 31 July 2018

1 Principal accounting policies

General information

University College Cardiff Consultants Limited is a private company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of its registered office is University College Cardiff Consultants Limited, 30 – 36 Newport Road, Cardiff.

Statement of compliance

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A and the Companies Act 2006.

Basis of accounting and going concern

The financial statements are prepared on a going concern basis, under the historical cost conventions, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The company has net current liabilities of £27,000 at 31 July 2018 (2017: £81,000). The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent entity, Cardiff University. The directors have received confirmation that Cardiff University intends to support the company for at least one year after the date of signing these financial statements.

The principal accounting policies as applied consistently are set out below.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents amounts invoiced net of value added tax, and consists mainly of royalty income received in the United Kingdom. Turnover is recognised on a receipts basis.

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

Principal accounting policies (continued)

Group and consolidated financial statements

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Fixed asset investment

Investments held by the company are stated at cost less a provision for any permanent diminution in value of such investments.

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

2 Operating profit

	2018 £'000	2017 £'000
Operating profit is stated after charging		
Auditors' remuneration for:		
Audit services	2	2
Tax compliance	1	2

3 Directors' emoluments

No emoluments were paid or payable to directors in respect of their services to the company in the year (2017: £nil).

4 Investments

	£'000
Cost and net book value	
At 31 July 2017 and 31 July 2018	6

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

4 Investments (continued)

At 31 July 2018 the company held more than 10% of the equity of the following companies:

Company	Country of Registration	Proportion of ordinary shares held	Nature of business
Cardiff Scintigraphics Limited	England and Wales	49.0%	Provision of scientific and technical services to the pharmaceutical industry
Authentic World Limited	England and Wales	12.4%	E-learning Solutions for the healthcare industry
Poseidon Water Limited	England and Wales	10.8%	Products and services for the water treatment industry

The directors believe that the carrying value of the investments is supported by their underlying net assets.

5 Debtors

	2018 £'000	2017 £'000
Trade debtors	279	265
Amounts owed by group undertakings (see below)	-	51
Other debtors	27	31
Taxation and social security	26	-
	332	347

The amounts owed by group undertakings are due from the parent undertaking, Cardiff University, and are interest free, unsecured and have no fixed terms for repayment.

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

6 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	24	46
Taxation and social security	5	19
Amounts owed by group undertakings (see below)	9	-
Accruals and deferred income	718	825
	<u>756</u>	<u>890</u>

7 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	<u>600</u>	<u>600</u>

The loan is unsecured and interest is payable to Cardiff University at a rate of 1% per annum above base rate. This amount is repayable on demand although Cardiff University has confirmed that it will not demand repayment in the coming year.

8 Share capital

The company has no share capital (2017: Nil) because it is limited by a guarantee of the members to a sum of £10 each.

9 Profit and loss account

	2018 £'000	2017 £'000
At 1 August and 31 July	<u>(620)</u>	<u>(675)</u>

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

10 Reconciliation of movements in shareholders deficit

	2018	2017
	£'000	£'000
Opening shareholders deficit	<u>(675)</u>	<u>(675)</u>
Closing shareholders deficit	<u>(620)</u>	<u>(675)</u>

11 Related parties

During the year, four of the directors of the company (2017: two), D M Davies, R E Williams, D G Bembo and N B Bourne were employed by the parent undertaking, Cardiff University. Payments of £1,480k (2017: £1,141k) were made to Cardiff University and members of its staff. Patent costs of £Nil (2017: £104k) were recharged to Cardiff University.

12 Ultimate parent and controlling party

The directors regard Cardiff University to be the ultimate parent and controlling party. Cardiff University is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Cardiff University financial statements can be obtained from Cardiff University, Finance Division, 30-36 Newport Road, Cardiff CF24 0DE.