

The University of Reading Science & Technology Centre Limited

Company Number 02501592

Financial Statements

Year Ended 31 July 2017

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The University of Reading Science & Technology Centre Limited

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Year ended 31 July 2017

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The University of Reading Science & Technology Centre Limited

Company information

Directors

Dr D Gillham – resigned 27 February 2017

Mr C Robbins – resigned 27 February 2017

Mr D C L Savage – resigned 27 February 2017

Ms C A B Wright – resigned 27 February 2017

Ms S Foley – appointed 27 February 2017

Registered office

University of Reading

PO Box 217

Whiteknights

Reading

RG6 6AH

Company number

02501592

Country of incorporation

United Kingdom

Solicitors

Clarkslegal LLP

One Forbury Square

The Forbury

Reading

RG1 3EB

Bankers

Barclays Bank plc

90-93 Broad Street

Reading

RG1 2AP

The University of Reading Science & Technology Centre Limited

Report of the director

The director presents her report and the financial statements of the company for the year ended 31 July 2017.

Principal activities

Until 17 December 2015, the main activity of the company was the management and subletting of the Science and Technology Centre at the University of Reading ('the University') to technology-based companies. On that date this activity was transferred to another wholly-owned subsidiary of the University, Thames Valley Science Park Limited.

Financial review

The company did not trade during the year. A small number of transactions occurred, mainly in relation to the settlement of historic debts and the recovery of VAT on debts written off. The company recorded a profit before taxation of £13,691 for the year to 31 July 2017 (2016: £427,899). Gift aided donations to the University totalled £13,691 (2016: £409,673).

Legal status of the company

The company is limited by guarantee and does not have any share capital.

Review of the business and future developments

The company is not expected to recommence trade in the foreseeable future. It had net assets of £18,226 at 31 July 2017. The remaining assets and liabilities will be settled during the coming year and any remaining funds will be paid to the University under gift aid. The director will then take steps to dissolve the company.

Taxation status

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988.

Dividend

The director does not propose a dividend in respect of the year ended 31 July 2017 (2016: nil).

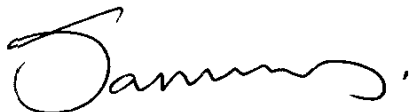
Directors and their interests

A list of the directors who held office during the year is shown on page 2.

None of the directors held any disclosable interest in the company.

Professional indemnity and directors & officers insurance are in place for all directors and staff working for the company.

By order of the Board



Ms S Foley

Director

7 March 2018

The University of Reading Science & Technology Centre Limited
Statement of the director's responsibilities in respect of her report and the financial statements

The director is responsible for preparing her report and the financial statements in accordance with applicable law and regulations.

Company law requires directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law directors must not approve 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 financial statements, directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The University of Reading Science & Technology Centre Limited
Statement of comprehensive income
Year ended 31 July 2017

	Note	2017 £	2016 £
Turnover	1	-	413,298
Expenditure			
Administrative expenses		-	(168,615)
Operating expenses		-	(215,020)
		-	(383,635)
Other operating income	2	13,691	400,000
Operating profit	3	13,691	429,663
Interest payable	5	-	(1,764)
Profit on ordinary activities before taxation		13,691	427,899
Taxation	6	(2,693)	(46,354)
Profit for the financial year		10,998	381,545

Other comprehensive income

There are no items of other comprehensive income and the profit for the year represents the total comprehensive income.

The main activity of the company was transferred to another group company during the previous year. Therefore the results of the company shown above derive wholly from discontinued activities.

The accompanying accounting policies and notes form part of these financial statements.

The University of Reading Science & Technology Centre Limited

Company Number 02501592

Statement of financial position as at 31 July 2017

	Note	2017 £	2016 £
Current assets			
Trade and other receivables	9	2,405	20,829
Cash and cash equivalents		15,821	12,070
		<u>18,226</u>	<u>32,899</u>
Creditors:			
Amounts falling due within one year	10	-	(14,673)
Net current assets		<u>18,226</u>	<u>18,226</u>
Reserves:			
Profit and loss account		18,226	18,226
		<u>18,226</u>	<u>18,226</u>

For the year ending 31 July 2017, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

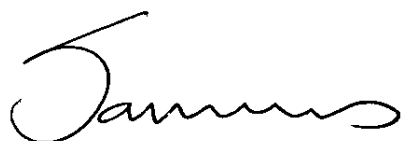
The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The accompanying accounting policies and notes form part of these financial statements.

The financial statements on pages 5 to 13 were approved by the board of directors and signed on its behalf by:



Ms S Foley
Director
7 March 2018

The University of Reading Science & Technology Centre Limited

Statement of changes in equity

Year ended 31 July 2017

	Note	Profit and loss account £	Total £
At 1 August 2015		-	-
Profit for the financial year		381,545	381,545
Donations to the University paid under gift aid	7	(409,673)	(409,673)
Current tax credit		46,354	46,354
At 31 July 2016		18,226	18,226
Profit for the financial year		10,998	10,998
Donations to the University paid under gift aid	7	(13,691)	(13,691)
Current tax credit		2,693	2,693
At 31 July 2017		18,226	18,226

The accompanying accounting policies and notes form part of these financial statements.

The University of Reading Science & Technology Centre Limited

Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In preparing financial statements, judgements have to be made in determining the most appropriate methods of applying the company's accounting policies to the economic transactions which arise during the year. It is also necessary to make assumptions about the future in determining the values of assets and liabilities at the year end date.

The company no longer trades, but the directors believe that it has sufficient assets to settle all of its liabilities before steps are taken to dissolve the company. It is not anticipated that the company will be dissolved within 12 months of the approval of these financial statements.

A summary of the primary accounting policies is set out below:

a. Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of Value Added Tax. Income from the sale of goods or services is credited to the statement of comprehensive income when the goods or services are supplied or the terms of the contract have been satisfied.

Where the company acts as a lessor under an operating lease, lease income from rentals and associated services is recognised on a straight-line basis over the lease term.

b. Staff costs and benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the period in which the employees render service to the company.

The University supplies staff to the company, recharging their salaries and associated costs.

c. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

The University of Reading Science & Technology Centre Limited

Accounting policies (continued)

d. Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or less tax in the future have occurred at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the year end date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

e. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items. Costs incurred in relation to property, plant and equipment after the initial purchase or production are capitalised to the extent that they increase the expected future benefits to the company from the existing item beyond its previously assessed standard of performance. The costs of any such enhancements are added to the carrying amount of the item concerned.

Assets under construction are not depreciated until they are brought into use.

Where material, the anticipated useful economic life of an item of property, plant and equipment is reviewed annually and the accumulated and future depreciation adjusted.

Expenditure to ensure that items of property, plant and equipment maintain their standard of performance is recognised in the statement of comprehensive income when it is incurred.

The useful lives of items of property, plant and equipment have been assessed as follows:

Leasehold improvements	10 years
Equipment, furniture and fittings	3-10 years

f. Investments

Investments which are publicly traded, or where their fair value can be measured reliably, are held at fair value with movements recognised in the statement of comprehensive income. Other investments are stated at cost less any provision for impairment in their value.

The University of Reading Science & Technology Centre Limited

Notes to the financial statements

1 Turnover

	2017 £	2016 £
Rental income	-	396,665
Other income	-	16,633
	<u>-</u>	<u>413,298</u>

All turnover arose in the United Kingdom. Turnover, which is stated net of Value Added Tax, consists entirely of rental and other income relating to the operation of the Science and Technology Centre.

2 Other operating income

	2017 £	2016 £
Loan waiver from the University	-	400,000
Other income	13,691	-
	<u>13,691</u>	<u>400,000</u>

Following the transfer of the Science and Technology Centre to another of its subsidiaries, the University waived £400,000 of its loan to the company in 2016.

3 Operating profit is stated after:

	2017 £	2016 £
<i>Staff costs</i>		
Salaries and wages	-	45,768
Social security costs	-	3,303
Pension contributions	-	4,641
	<u>-</u>	<u>53,712</u>
<i>Auditor's remuneration:</i>		
- Audit of these financial statements	-	2,054
- Tax advisory services	-	6,000

The company is recharged the salary and associated costs incurred by the University on its behalf. These members of staff are employed by the University.

4 Directors' remuneration

None of the directors who served during the year received any remuneration from the company. These costs were borne by the University. It is not possible to allocate a fair apportionment of these costs as services are provided to multiple entities. The company has applied the exemptions available in respect of the disclosure of key management personnel compensation.

The University of Reading Science & Technology Centre Limited

Notes to the financial statements (continued)

5 Interest payable

	2017 £	2016 £
Interest payable to the University	-	1,764

The company pays interest on the inter-company loan made by the University to the company. The interest rate charged is based on a market rate.

6 Taxation

	2017 £	2016 £
UK corporation tax	46,354	46,354

Reconciliation of the current tax charge:

	2017 £	2016 £
Profit on ordinary activities before taxation	13,691	427,899
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.67% (2016: 20%.)	2,693	85,580
Non-taxable loan waiver from the University	-	(80,000)
Effect of capital allowances and depreciation	-	42,325
Other	-	(1,551)
	2,693	46,354

7 Donations to the University paid under gift aid

	2017 £	2016 £
Gift aid donations in the current year	13,691	231,768
Adjustment in respect of gift aid paid in previous years	-	177,905
	13,691	409,673

The company covenants its taxable profits to the University to the extent that there are distributable reserves available for this purpose.

The University of Reading Science & Technology Centre Limited

Notes to the financial statements (continued)

8 Investments

At 1 August 2016 the company owned a 20% share in The Cascade Fund LLP and Cascade Fund Management Limited, both of whose principal activity related to the commercialisation of intellectual property. These investments were fully written down in previous years. The Cascade Fund LLP was dissolved on 26 May 2017 and Cascade Management Limited was dissolved on 19 September 2017. The company received no final distribution as a result of these closures.

9 Trade and other receivables

	2017 £	2016 £
Amount due from the University	2,405	20,829

All receivables are due within one year.

10 Creditors: Amounts falling due within one year

	2017 £	2016 £
VAT payable to HMRC	-	14,673

No provision has been made for deferred taxation on the grounds that the company has been able to make gift aid donations to the University.

11 Ultimate parent undertaking

These financial statements have been presented in respect of an individual company, The University of Reading Science & Technology Centre Limited, a wholly owned subsidiary undertaking of the University of Reading. The consolidated financial statements of the University of Reading can be obtained from the University of Reading, PO Box 217, Whiteknights, Reading, RG6 6AH or on the University's website.

Since the company is included in the consolidated financial statements of the University, the company has taken certain disclosure exemptions available under FRS 102 including:

- exemption from presenting a statement of cash flows
- exemption from disclosing key management personnel compensation
- exemption from disclosing transactions entered into with the University and its wholly owned subsidiaries

The University of Reading Science & Technology Centre Limited
Notes to the financial statements (continued)

12 Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1a of the provisions of FRS 102 Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by the University of Reading, whose financial statements are publicly available.