

Falmouth Enterprises Limited

**Directors' Report and Financial Statements
for the year ended 31 July 2017**

Company registration number 2517317



Falmouth Enterprises Limited

Directors	Professor A Carlisle Mr R Holmes Mr C Pomfret Professor G Smith
Secretary	Mr R Holmes
Auditor	KPMG LLP Plym House 3 Longbridge Road Plymouth PL6 8LT
Registered number	2517317
Registered Office	Falmouth University 25 Woodlane Falmouth TR11 4RH
Bankers	Barclays Bank plc 3rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3BX

Falmouth Enterprises Limited
Financial Statements
For the year ended 31 July 2017

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**Falmouth Enterprises Limited
Report of the Directors
For the year ended 31 July 2017**

The Directors submit their report and the financial statements for the year ended 31 July 2017.

Principal Activity

The principal activity of the Company during the year was the provision of services to businesses carried out on behalf of Falmouth University (Falmouth).

Review

Falmouth Enterprises Limited provides commercial services to external parties using the facilities and staff of the University's Academic Departments. Falmouth's plan is to broaden the scope of the group's commercial work, including agency work for students in Illustration, Photography, Product Design and Business. In addition to direct expenses, Falmouth Enterprises Limited incurs charges from Falmouth for the running costs of the Academic Departments and for professional services it provides to the Company.

Results and Dividends

The trading profit for the year and appropriations thereof are set out in the Profit and Loss Account on page 5.

Directors

The Directors who served during the year were as follows:

Professor A Carlisle
Mr R Holmes
Mr C Pomfret
Professor G Smith

None of the directors held any share capital in the company during the year.

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 aware, there is no relevant audit information of which the Company's auditors are unaware; and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Reappointment of Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.



BY ORDER OF THE BOARD
R Holmes
Secretary
24 November 2017

Falmouth Enterprises Limited
Statement of Directors' Responsibilities
For the year to 31 July 2017

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 they have 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 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 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; and
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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.

BY ORDER OF THE BOARD



R Holmes
Secretary
24 November 2017

**Falmouth Enterprises Limited
Independent Auditor's Report
For the year ended 31 July 2017**

Opinion

We have audited the financial statements of Falmouth Enterprises Limited ("the company") for the year ended 31 July 2017 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The 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.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; 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

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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Falmouth Enterprises Limited
Independent Auditor's Report
For the year ended 31 July 2017**

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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 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; 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 no realistic alternative but to do so.

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/auditorsresponsibilities.

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.



Victoria Sewell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Plym House
Longbridge Road
Plymouth
PL6 8LT

28 November 2017

Falmouth Enterprises Limited
Profit and Loss account and Other Comprehensive Income
For the year ended 31 July 2017

	Note	<u>Year to</u> <u>31/7/17</u> £	<u>Year to</u> <u>31/7/16</u> £
Turnover	2	42,282	40,657
Cost of Sales		(12,311)	(11,730)
Gross Profit		<u>29,971</u>	<u>28,927</u>
Other Operating Expenses		(3,548)	(3,581)
Profit before Taxation	3	<u>26,423</u>	<u>25,346</u>
Tax on profit	4	(5,020)	(5,069)
Profit after taxation		<u><u>21,403</u></u>	<u><u>20,277</u></u>

All of the above relate to continuing activities.

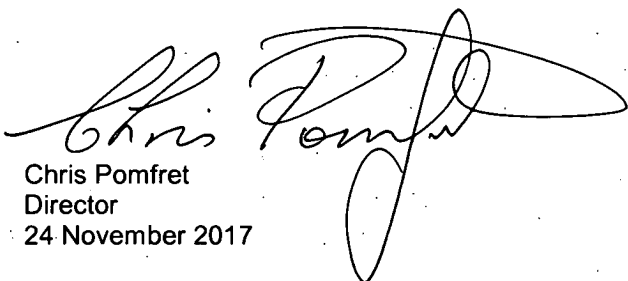
There were no gains or losses during either year other than those recognised in the Profit and Loss account and hence no separate other comprehensive income statement has been recognised.

The notes on pages 9 to 11 form an integral part of the financial statements.

Falmouth Enterprises Limited
Balance sheet
as at 31 July 2017

	Note	2017 £	2016 £
Current Assets			
Debtors	6	1,618	798
Cash at Bank and in Hand		<u>28,087</u>	<u>24,389</u>
		29,705	25,187
Creditors - Amounts falling due within one year	7	(28,705)	(24,187)
Net Current Assets		<u>1,000</u>	<u>1,000</u>
Net Assets		<u><u>1,000</u></u>	<u><u>1,000</u></u>
Capital and Reserves			
Called Up Share Capital	8	1,000	1,000
Profit and Loss Account		-	-
Shareholders' Funds		<u><u>1,000</u></u>	<u><u>1,000</u></u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on 24 November 2017



Chris Pomfret
 Director
 24 November 2017

Registered number 2517317

The notes on pages 9 to 11 form an integral part of the financial statements.

Falmouth Enterprises Limited
Statement of Changes in Equity
as at 31 July 2017

	Share Capital	Profit and Loss Account	Total
	£	£	£
Balance at 1 August 2015	1,000	-	1,000
Profit for the year	-	20,277	20,277
Gift aid payment	-	(25,346)	(25,346)
Tax credit in relation to gift aid payments	-	5,069	5,069
Balance at 31 July 2016	1,000	-	1,000
Balance at 1 August 2016	1,000	-	1,000
Profit for the year	-	21,403	21,403
Gift aid payment	-	(26,423)	(26,423)
Tax credit in relation to gift aid payments	-	5,020	5,020
Balance at 31 July 2017	1,000	-	1,000

Falmouth Enterprises Limited
Notes to the Financial Statements
Year to 31 July 2017

1. Principal accounting policies

The Company is a private company limited by share capital and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking, Falmouth University, includes the Company in its consolidated financial statements. The consolidated financial statements of Falmouth University are available from the University at Woodlane, Falmouth, Cornwall, TR11 4RH. 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:

- Transactions with group entities
- Key Management Personnel compensation
- Reconciliation of the number of shares outstanding from the beginning to the end of the period:
and
- Cash flow statement and related notes

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in note 9.

Going concern

The Company has sufficient financial resources together with continued funding. As a consequence the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes and is recognised on delivery of the service or goods to the customer.

Taxation

The charge for taxation is based on the profit or loss 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 recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102 Section 29.

Falmouth Enterprises Limited
Notes to the Financial Statements
Year to 31 July 2017

Gift aid payment presented within shareholders' funds

The ICAEW issued on 31 October 2014 new guidance in relation to the payment of gift aid by subsidiaries. As a result, for the year ended 31 March 2015 and subsequent years gift aid payment is only recognised as a liability at the year end to the extent that it has been paid prior to the year end, there is a deed of covenant prior to the year-end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date.

2. Turnover

Turnover represents the value of goods and services supplied within the UK during the period, excluding VAT.

3. Profit before taxation

This is stated after charging/(crediting):

	31/7/17	31/7/16
	£	£
Auditors' Remuneration	1,185	1,235

4. Tax on profit

Analysis of charge in year

	31/7/17	31/7/16
	£	£
UK Corporation tax		
Current tax on income for the year	5,020	5,069
Tax on profit on ordinary activities	5,020	5,069

	31/7/17		31/7/16	
	£	£	£	£
	Current tax	Deferred tax	Current tax	Deferred tax
Recognised in profit and loss	5,020	-	5,069	-
Recognised directly in equity	(5,020)	-	(5,069)	-
Total tax	-	-	-	-

Recognition of effective tax rate

	31/7/17	31/7/16
	£	£
Profit for the year	26,423	20,277
Taxation	5,020	5,069
Profit on ordinary activities before tax	21,403	15,208
Current tax at 19% (2016:20%)	5,020	5,069
Total tax charge recognised in the profit and loss account (see above)	5,020	5,069

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. In the budget on 16 March 2016, the Chancellor announced additional planned reductions to 17% by April 2020.

There is no provided or unprovided deferred taxation.

Falmouth Enterprises Limited
Notes to the Financial Statements
Year to 31 July 2017

5. Staff costs

There were no employees during the year. The Directors did not receive any remuneration from the Company.

6. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade Debtors	1,618	-
HM Revenue and Customs	-	798
	<u>1,618</u>	<u>798</u>

7. Creditors - Amounts falling due within one year

	2017 £	2016 £
Amounts Owed to Group Undertakings	26,626	22,940
Trade Creditors	-	-
Accruals and Deferred Income	2,079	1,247
	<u>28,705</u>	<u>24,187</u>

Amounts owed to/from group undertaking/related party are trading balances hence are due on demand and non interest bearing.

8. Called up share capital

	2017 £	2016 £
Authorised		
Ordinary £1 Shares	<u>1,000</u>	<u>1,000</u>
Allotted, Issued and Fully Paid		
Ordinary £1 Shares	<u>1,000</u>	<u>1,000</u>

9. Accounting estimates and judgements

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, and historical experience. See note 6 for the net carrying amount of the debtors and associated impairment provision.

Critical accounting judgements in applying the Company's accounting policies

There are no such judgements in either the current or prior year.

Falmouth Enterprises Limited
Profit and Loss account
For the year ended 31 July 2017

This page does not form part of the audited statutory accounts

		Year to 31/7/17		Year to 31/7/16
	£	£	£	£
Sales				
Project and Consultancy Income		42,280		40,645
Interest Receivable		2		12
		<u>42,282</u>		<u>40,657</u>
Cost of Sales				
Facilities Management		<u>(12,311)</u>		<u>(11,730)</u>
Gross Profit		29,971		28,927
Overheads				
Management Charge	1,821		1,821	
Audit Fee	1,185		1,235	
Administration Costs and Professional Fees	542		525	
		<u>(3,548)</u>		<u>(3,581)</u>
Gift Aid payable to Falmouth University		(26,423)		(25,346)
Net Profit/(Loss) for the year		<u><u>-</u></u>		<u><u>-</u></u>