

# **Falmouth Enterprises Limited**

**Directors' Report and Financial Statements  
for the year ended 31 July 2019**

**Company registration number 2517317**



## Falmouth Enterprises Limited

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<b>Directors</b>	Professor A Carlisle Mr R Holmes Mr C Pomfret Mr J Scott (appointed 19 July 2019) Professor G Smith (resigned 19 July 2019)
<b>Secretary</b>	Mr R Holmes
<b>Auditor</b>	KPMG LLP Plym House 3 Longbridge Road Plymouth PL6 8LT
<b>Registered number</b>	2517317
<b>Registered Office</b>	Falmouth University 25 Woodlane Falmouth TR11 4RH
<b>Bankers</b>	Barclays Bank plc 3rd Floor Windsor Court 3 Windsor Place Cardiff CF10 3BX

**Falmouth Enterprises Limited**  
**Financial Statements**  
**For the year ended 31 July 2019**

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**Falmouth Enterprises Limited  
Report of the Directors  
For the year ended 31 July 2019**

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The Directors submit their report and the financial statements for the year ended 31 July 2019.

**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 statement of changes in equity for the year shows a profit which has been donated, under a deed of covenant, to the parent company, Falmouth University.

**Directors**

The Directors who served during the year were as follows:

Professor A Carlisle  
Mr R Holmes  
Mr C Pomfret  
Mr J Scott (appointed 19 July 2019)  
Professor G Smith (resigned 19 July 2019)

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  
22 November 2019

**Falmouth Enterprises Limited**  
**Statement of Directors' Responsibilities**  
**For the year to 31 July 2019**

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**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;
- assess the 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 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  
22 November 2019

**Independent Auditor's Report to the members of  
Falmouth Enterprises Limited  
For the year ended 31 July 2019**

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**Opinion**

We have audited the financial statements of Falmouth Enterprises Limited ("the company") for the year ended 31 July 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, 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 2019 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.

**The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

**Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Independent Auditor's Report to the members of  
Falmouth Enterprises Limited  
For the year ended 31 July 2019**

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**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.

**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](http://www.frc.org.uk/auditorsresponsibilities).

**Independent Auditor's Report to the members of  
Falmouth Enterprises Limited  
For the year ended 31 July 2019**

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**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

Plymouth

PL6 8LT

2 December 2019



**Falmouth Enterprises Limited**  
**Profit and Loss account and Other Comprehensive Income**  
**For the year ended 31 July 2019**

	<b>Note</b>	<b><u>Year to</u></b> <b><u>31 July 2019</u></b> £	<b><u>Year to</u></b> <b><u>31 July 2018</u></b> £
Turnover	<b>2</b>	50,416	28,803
Cost of Sales		(22,003)	(8,993)
Gross Profit		<u>28,413</u>	<u>19,810</u>
Other Operating Expenses		(7,889)	(3,479)
<b>Profit for the year</b>	<b>3</b>	<u>20,524</u>	<u>16,331</u>
<b>Other Comprehensive Income for the year ended 31 July</b>		<u></u>	<u></u>

There are no recognised gains or losses for the year other than the profit reported in the Profit and Loss Account.

All of the above relate to continuing activities.

There are no items of comprehensive income for the period other than the profit for the year; hence no Statement of Comprehensive Income has been presented.

The notes on pages 10 to 12 form an integral part of the financial statements.

**Falmouth Enterprises Limited**  
**Balance sheet**  
**as at 31 July 2019**

	Note	2019 £	2018 £
<b>Current Assets</b>			
Debtors	6	7,032	7,769
Cash at Bank and in Hand		46,144	7,384
		<u>53,176</u>	<u>15,153</u>
<b>Creditors - Amounts falling due within one year</b>	7	(52,176)	(14,153)
<b>Net Current Assets</b>		<u>1,000</u>	<u>1,000</u>
<b>Net Assets</b>		<u><u>1,000</u></u>	<u><u>1,000</u></u>
<b>Capital and Reserves</b>			
Called Up Share Capital	8	1,000	1,000
Profit and Loss Account		-	-
<b>Shareholder's Funds</b>		<u><u>1,000</u></u>	<u><u>1,000</u></u>

The financial statements on pages 7 to 12 were approved by the Board of Directors on 8 November 2019

A Carlisle  
Director  
8 November 2019



Registered number 2517317

The notes on pages 10 to 12 form an integral part of the financial statements.

**Falmouth Enterprises Limited**  
**Statement of Changes in Equity**  
**as at 31 July 2019**

	Share Capital	Profit and Loss Account	Total
	£	£	£
<b>Balance at 1 August 2017</b>	1,000	-	1,000
Profit for the year	-	16,331	16,331
Gift aid payment	-	(16,331)	(16,331)
<b>Balance at 31 July 2018</b>	1,000	-	1,000
<b>Balance at 1 August 2018</b>	1,000	-	1,000
Profit for the year	-	20,524	20,524
Gift aid payment	-	(20,524)	(20,524)
<b>Balance at 31 July 2019</b>	1,000	-	1,000

The notes on pages 10 to 12 form an integral part of the financial statements.

**Falmouth Enterprises Limited**  
**Notes to the Financial Statements**  
**Year to 31 July 2019**

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**1. Principal accounting policies**

The Company is a private company limited by share capital and registered 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 presentation currency of these financial statements is pounds 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 FRS 102) 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 Company has early adopted the amendment to FRS 102 issued in December 2017 in respect of the tax treatment of gift aid payments.

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. This assessment covers a period of at least 12 months from the date of signing the financial statements. 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 2019**

**Financial assets**

Basic financial assets include trade and other receivables, and cash and cash equivalents. These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account.

**Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Financial liabilities**

Basic financial liabilities include trade and other payables, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially as transaction price and subsequently measured at amortised cost using the effective interest rate method.

**Gift aid payment presented within shareholder's funds**

The amendment to FRS102 in relation to gift aid has been adopted early, as allowed under the Amendments to FRS102 Triennial review issued in December 2017, allowing the tax effect of gift aid to be moved from equity to profit and loss account. The impact of equity shareholder's funds is £nil.

For the year ended 31 July 2019 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:

2019	2018
£	£
Auditors' Remuneration	1,185

1,335

**4. Tax on profit**

**Analysis of charge in year**

2019	2018
£	£

**UK Corporation tax**

Current tax on income for the year

Tax on profit on ordinary activities

-

-

-

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**Falmouth Enterprises Limited**  
**Notes to the Financial Statements**  
**Year to 31 July 2019**

**Recognition of effective tax rate**

	2019 £	2018 £
Profit on ordinary activities before tax	24,424	19,434
Current tax at 19% (2018: 19%)	3,900	3,103
Effects of gift aid payment	<u>(3,900)</u>	<u>(3,103)</u>
Total tax charge recognised in the profit and loss account (see above)	<u>-</u>	<u>-</u>

Reductions in the UK corporation tax rate from 19% to 18% (effective from 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.

**5. Staff costs**

There were no employees during the year.

Mr C Pomfret did not receive any remuneration from the company or group. The other directors are remunerated by Falmouth University. The proportion of their remuneration attributable to their services to Falmouth Enterprises Limited is not separately identifiable.

**6. Debtors**

	2019 £	2018 £
Amounts falling due within one year:		
Trade Debtors	7,032	7,769
	<u>7,032</u>	<u>7,769</u>

**7. Creditors - Amounts falling due within one year**

	2019 £	2018 £
Bank overdraft	-	450
Amounts Owed to Group Undertakings	45,575	9,874
Trade Creditors	1,586	278
Accruals and Deferred Income	5,015	3,551
	<u>52,176</u>	<u>14,153</u>

Amounts owed to group undertakings are trading balances hence are repayable on demand and non-interest bearing.

**8. Called up share capital**

	2019 £	2018 £
<b>Authorised</b>		
Ordinary £1 Shares	<u>1,000</u>	<u>1,000</u>
<b>Allotted, Issued and Fully Paid</b>		
Ordinary £1 Shares	<u>1,000</u>	<u>1,000</u>

**Falmouth Enterprises Limited**  
**Notes to the Financial Statements**  
**Year to 31 July 2019**

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## **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.

## **10. Ultimate Parent company**

Falmouth Enterprises Limited is a wholly owned subsidiary of Falmouth University, whose address is Falmouth Campus, Woodlane, Falmouth, Cornwall TR11 4RH. Falmouth University is the ultimate controlling party and its accounts are available from the address above.

## **11. Related Party Transactions**

The company entered into the following transactions which are shown on an arms' length basis.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Sales to Falmouth Exeter Plus	2,096	3,055
	<hr/>	<hr/>

There are no other related party transactions to report.

**Falmouth Enterprises Limited**  
**Profit and Loss account**  
**For the year ended 31 July 2019**

This page does not form part of the audited statutory accounts

	£	Year to 31/7/19 £	£	Year to 31/7/18 £
<b>Sales</b>				
Project and Consultancy Income		50,403		28,795
Interest Receivable		13		8
		<u>50,416</u>		<u>28,803</u>
<b>Cost of Sales</b>				
Facilities Management		<u>(22,003)</u>		<u>(8,993)</u>
<b>Gross Profit</b>		28,413		19,810
<b>Overheads</b>				
Management Charge	1,821		1,821	
Audit Fee	1,335		1,279	
Administration Costs and Professional Fees	4,733		379	
		<u>(7,889)</u>		<u>(3,479)</u>
Gift Aid payable to Falmouth University		(20,524)		(16,331)
<b>Net Profit/(Loss) for the year</b>		<u><u>-</u></u>		<u><u>-</u></u>