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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**



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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr Marc Albano Dr Janice Pittis (resigned 29 February 2016) Mr Owen Bryn Morris
<b>Registered number</b>	02533347
<b>Registered office</b>	University of Essex Wivenhoe Park Colchester Essex CO4 3SQ
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 15 Canada Square Canary Wharf London E14 5GL
<b>Bankers</b>	Lloyds TSB 27 High Street Colchester Essex CO1 1DU

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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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## UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2016

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The directors present their report and the financial statements for the year ended 31 July 2016.

#### Directors' responsibilities statement

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 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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.

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 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.

#### Directors

The directors who served during the year were:

Mr Marc Albano  
Dr Janice Pittis (resigned 29 February 2016)  
Mr Owen Bryn Morris

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Auditor

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

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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2016**

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**Small Companies Note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The name of the Director who signed the original Directors' Report was Marc Albano.

This report was approved by the board and signed on its behalf.



Mr Marc Albano  
Director

Date: 10 January 2017

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## UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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We have audited the financial statements of University of Essex Enterprises Limited for the year ended 31 July 2016, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

#### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNIVERSITY OF ESSEX  
ENTERPRISES LIMITED (CONTINUED)**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 or in preparing the Directors' Report.

*Fleur Nieboer*

Fleur Nieboer (Senior Statutory Auditor)

for and on behalf of  
**KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square  
Canary Wharf  
London  
E14 5GL

*18 January 2017*

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UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2016

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	Note	2016 £	2015 £
Turnover	4	78,434	68,114
Cost of sales		(78,434)	(72,120)
<b>Gross profit/(loss)</b>		-	(4,006)
Administrative expenses		(3,050)	(3,000)
<b>Operating loss</b>	5	(3,050)	(7,006)
Interest receivable and similar income	7	142	237
<b>Loss before tax</b>		(2,908)	(6,769)
<b>Loss for the year</b>		(2,908)	(6,769)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 15 form part of these financial statements.



**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**  
**REGISTERED NUMBER: 02533347**

**BALANCE SHEET**  
**AS AT 31 JULY 2016**

	Note	2016 £	2016 £	2015 £	2015 £
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	14,291		21,935	
Cash at bank and in hand	9	31,339		75,380	
		<u>45,630</u>		<u>97,315</u>	
Creditors: amounts falling due within one year	10	(29,104)		(77,881)	
<b>Net current assets</b>			<u>16,526</u>		<u>19,434</u>
<b>Total assets less current liabilities</b>			<u>16,526</u>		<u>19,434</u>
<b>Net assets</b>			<u>16,526</u>		<u>19,434</u>
<b>Capital and reserves</b>					
Called up share capital	12		2		2
Profit and loss account	13		16,524		19,432
			<u>16,526</u>		<u>19,434</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**Mr Marc Albano**

Director

Date: 10 January 2017

The notes on pages 8 to 15 form part of these financial statements.

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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2016**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2015	2	19,432	19,434
<b>Comprehensive income for the year</b>			
Loss for the year	-	(2,908)	(2,908)
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	(2,908)	(2,908)
<b>At 31 July 2016</b>	<b>2</b>	<b>16,524</b>	<b>16,526</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2015**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2014	2	26,201	26,203
<b>Comprehensive income for the year</b>			
Loss for the year	-	(6,769)	(6,769)
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	(6,769)	(6,769)
<b>At 31 July 2015</b>	<b>2</b>	<b>19,432</b>	<b>19,434</b>

The notes on pages 8 to 15 form part of these financial statements.

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## UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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#### 1. General information

The principal activity of the company in the year under review was the commercial exploitation of intellectual property rights, acquired from University of Essex, by means of protecting and licensing them.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is University of Essex, Wivenhoe Park, Colchester, Essex, CO4 3SQ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 16.

The financial statements are presented in pound sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In the preparation of the financial statements the company has taken advantage of the disclosure exemptions conferred by section 1.12 of FRS 102.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The University, as the company's parent entity and ultimate controlling party, has issued a letter of financial support to ensure that the company will be able to meet its liabilities as they fall due. There are no bank loans and there is sufficient cash and current assets to cover short-term liabilities as they fall due. Accordingly, the directors have adopted the going concern basis in preparing the annual report and accounts.

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## UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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## UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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## 2. Accounting policies (continued)

### 2.6 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

### 2.9 Patent expenditure

Expenditure on patents is written off in the Profit and Loss Account as incurred.

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UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3,050	3,000

6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

7. Interest receivable

	2016 £	2015 £
Other interest receivable	142	237
	<u>142</u>	<u>237</u>

8. Debtors

	2016 £	2015 £
Other debtors	14,291	21,935
	<u>14,291</u>	<u>21,935</u>

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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

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**9. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	31,339	75,380
	<u>31,339</u>	<u>75,380</u>

**10. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	2,652	-
Taxation and social security	-	2,348
Accruals and deferred income	26,452	75,533
	<u>29,104</u>	<u>77,881</u>

**11. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	31,339	75,380
Financial assets that are debt instruments measured at amortised cost	14,290	21,935
	<u>45,629</u>	<u>97,315</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(29,103)	(75,533)
	<u>(29,103)</u>	<u>(75,533)</u>

Financial assets measured at fair value through profit or loss comprise the company's cash balance.

Financial assets measured at amortised cost comprise other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors and accruals.

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UNIVERSITY OF ESSEX ENTERPRISES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016

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12. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Authorised</b>		
50,000 Ordinary Shares shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary Shares shares of £1 each	<u>2</u>	<u>2</u>

13. Reserves

**Profit and loss account**

The profit and loss account includes all current and prior period recognised and retained gains and losses.

14. Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS 102 from disclosing related party transactions.

15. Controlling party

In the opinion of the directors, the company's ultimate parent entity and ultimate controlling party is University of Essex, a higher education institution in the United Kingdom. The parent undertaking of the largest and smallest group, which includes the company and for which group accounts are prepared, is University of Essex. Copies of the group financial statements are available from the Director of Finance, University of Essex, Wivenhoe Park, Colchester, Essex, CO4 3SQ.



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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

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**16. First time adoption of FRS 102**

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2014. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	FRS 102 (as restated) 1 August 2014 £	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	FRS 102 (as restated) 31 July 2015 £
Current assets	89,804	-	89,804	97,315	-	97,315
Creditors: amounts falling due within one year	(63,601)	-	(63,601)	(77,881)	-	(77,881)
<b>Net current assets</b>	<b>26,203</b>	<b>-</b>	<b>26,203</b>	<b>19,434</b>	<b>-</b>	<b>19,434</b>
<b>Total assets less current liabilities</b>	<b>26,203</b>	<b>-</b>	<b>26,203</b>	<b>19,434</b>	<b>-</b>	<b>19,434</b>
<b>Net assets</b>	<b>26,203</b>	<b>-</b>	<b>26,203</b>	<b>19,434</b>	<b>-</b>	<b>19,434</b>
Capital and reserves	26,203	-	26,203	19,434	-	19,434

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**UNIVERSITY OF ESSEX ENTERPRISES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2016**

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**16. First time adoption of FRS 102 (continued)**

	<i>As previously stated 31 July 2015 £</i>	<i>Effect of transition 31 July 2015 £</i>	<b>FRS 102 (as restated) 31 July 2015 £</b>
Turnover	68,114	-	68,114
Cost of sales	(72,120)	-	(72,120)
	<hr/>	<hr/>	<hr/>
	(4,006)	-	(4,006)
Administrative expenses	(3,000)	-	(3,000)
	<hr/>	<hr/>	<hr/>
<b>Operating profit</b>	(7,006)	-	(7,006)
Interest receivable and similar income	237	-	237
	<hr/>	<hr/>	<hr/>
<b>Loss on ordinary activities after taxation and for the financial year</b>	(6,769)	-	(6,769)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Explanation of changes to previously reported profit and equity:

- 1 There have been no changes to previously reported profit and equity as a result of the transition to FRS 102.