

# **Specific Innovations Limited**

## **Annual Report for the year ended 31 July 2015**

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# **Specific Innovations Limited**

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**Report of the directors  
for the year ended 31 July 2015**

The directors present their report and the audited financial statements for the year ended 31 July 2015.

**Principal activities**

The principal activity of the company continues to be the commercial exploitation of knowledge, research and development emanating from Swansea University.

**Review of business and future developments**

The profit and loss account for the financial year is set out on page 5. Both the level of business and the year-end financial position were satisfactory, and the directors are satisfied that this position of the company will continue in future periods.

**Going concern**

The directors wish to draw attention to note 1 of these financial statements regarding the basis of preparation of the financial statements. The directors, after making enquiries, have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**Key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 July 2015 (2014: £Nil).

**Directors**

The directors of the company at 31 July 2015, who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

K Bygate (resigned 11 September 2014)

Dr G Ronan

Sir R Jones (appointed 26 May 2015)

**Report of the directors  
for the year ended 31 July 2015 (continued)****Statement of directors' responsibilities**

The directors are responsible for preparing the Report of the directors 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 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 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.

**Statement of disclosure of information to auditors**

Each of the persons who is a director at the time when the Directors' Report is approved has confirmed that, so far as that Director is aware, there is no relevant audit information (ie information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and that the Director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

**Independent auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting, in accordance with Section 485 of the Companies Act 2006. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

**Exemptions**

This report is prepared in accordance with the special provisions relating to the small companies' regime as provided by Section 415A of the Companies Act 2006.

This report was approved by the board on 17 December 2015 and signed by order of the board by:



**Dr G Ronan**  
Director

## **Independent auditors' report to the members of Specific Innovations Limited**

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Specific Innovations Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements comprise:

- the balance sheet as at 31 July 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

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, 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

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.

## **Independent auditors' report to the members of Specific Innovations Limited (continued)**

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### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



**Ian Clarke (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Swansea**  
**17 December 2015**

Registered Number: 08537664

**Profit and loss account  
for the year ended 31 July 2015**

	Notes	2015 £	2014 £
Turnover	2	10,000	-
Cost of sales		-	-
<b>Gross profit</b>		<b>10,000</b>	<b>-</b>
Net operating expenses	3	(21,741)	-
<b>Operating loss</b>		<b>(11,741)</b>	<b>-</b>
Interest receivable and similar income		3	-
<b>Loss on ordinary activities before taxation</b>	6	<b>(11,738)</b>	<b>-</b>
Tax on loss on ordinary activities	7	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(11,738)</b>	<b>-</b>
<b>Retained loss for the year</b>	11	<b>(11,738)</b>	<b>-</b>

The turnover and operating loss for the financial year have been totally derived from the continuing operations of the company.

The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between the loss for the financial years stated above and their historical cost equivalents.

The notes on pages 7 to 10 form part of these financial statements.

**Balance sheet as at 31 July 2015**

	Notes	2015 £	2014 £
<b>Current assets</b>			
Debtors	8	100	100
Cash at bank and in hand		24,104	-
		<b>24,204</b>	100
<b>Creditors: amounts falling due within one year</b>	9	<b>(35,842)</b>	-
<b>Net current (liabilities)/assets</b>		<b>(11,638)</b>	100
<b>Net (liabilities)/assets</b>		<b>(11,638)</b>	100
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	(11,738)	-
<b>Total shareholders'(deficit)/ funds</b>	12	<b>(11,638)</b>	100

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 5 to 10 were approved by the board of directors on 17 december 2015 and were signed on its behalf by:

**Dr G Ronan**  
Director



The notes on pages 7 to 10 form part of these financial statements



## **Notes to the financial statements for the year ended 31 July 2015**

### **1 Principal accounting policies**

These financial statements are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied throughout the year, are set out below.

#### **Basis of preparation of the financial statements**

The financial statements are prepared in accordance with the historical cost convention and on a going concern basis.

The financial position of the company, liquidity position and borrowing facilities are shown in the financial statements on pages 5 to 10. The directors' review the company's cost base and the future liquidity requirements on a regular basis. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### **Turnover**

Turnover, which excludes value added tax, represents the invoiced value of services supplied during the year. Turnover is recognised at the time the service is performed.

#### **Cash flow statement**

The company qualifies as a small company under the terms of section 382 of the Companies Act 2006. As a consequence, it is exempt from the requirements to publish a cash flow statement.

#### **Patent costs**

Patent costs, being purchase cost and incidental expenses of acquisition, are recognised as intangible fixed assets where the company can identify a future revenue stream from the intangible fixed asset. Otherwise these costs are charged to the profit and loss account as incurred.

#### **Taxation**

Current tax which is payable or receivable on taxable profits or losses is recognised as an expense or credit in the period in which the profits or losses arise.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if 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 calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 2 Turnover

Turnover, which arose solely from the United Kingdom, wholly relates to the principal activity of the company.

### 3 Net operating expenses

	2015	2014
	£	£
Administrative expenses	21,741	-
	<b>21,741</b>	<b>-</b>

### 4 Directors' emoluments

No remuneration was paid to directors in the current or previous year.

### 5 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 (FRS8) not to disclose transactions that have occurred with group companies where 100% of the voting rights are controlled within the group and consolidated financial statements are publicly available (see note 13).

### 6 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2015	2014
	£	£
Auditors' remuneration for audit services	1,500	-

Remuneration of the company's auditors for provision of non-audit services to the company was £895 (2014: £Nil).

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 7 Tax on the loss on ordinary activities

	2015 £	2014 £
<b>Current tax</b>		
UK corporation tax on profits in the year	-	-
<b>Tax charge for the year</b>	-	-

The tax assessed for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before taxation	(11,738)	-
Loss on ordinary activities multiplied by the standard rate in the UK: 20.67% (2014: 22.33%)	2,426	-
Income not taxable for tax purposes	-	-
Losses not utilised	(2,426)	-
<b>Current tax charge for the year</b>	-	-

### 8 Debtors

	2015 £	2014 £
<b>Amounts falling due within one year</b>		
Amounts receivable from parent company	100	100
	<b>100</b>	<b>100</b>

## Notes to the financial statements for the year ended 31 July 2015 (continued)

### 9 Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts owed to group undertakings	(33,894)	-
Taxation and social security	(448)	-
Accruals and deferred income	(1,500)	-
	<b>(35,842)</b>	<b>-</b>

The amounts owed to the group undertakings were unsecured, interest-free and had no fixed terms for repayment.

### 10 Called up share capital

	2015	2014
<b>Authorised</b>		
100 (2014: 100) ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid</b>		
100 (2014: 100) ordinary shares of £1 each	100	100

### 11 Reserves

	Profit and loss account £
At 1 August 2014	-
Retained profit/(loss) for the year	(11,738)
<b>At 31 July 2015</b>	<b>(11,738)</b>

### 12 Reconciliation of movements in shareholders' (deficit)/funds

	2015	2014
	£	£
Opening shareholders' funds	100	100
Retained (loss) for the year	(11,738)	-
<b>Closing shareholders' (deficit)/funds</b>	<b>(11,638)</b>	<b>100</b>

### 13 Controlling party

The directors regard Swansea University as the company's parent undertaking and ultimate controlling party by virtue of its holding of all of the company's equity capital. Swansea University is the parent undertaking of both the smallest and largest group of undertakings to consolidate these financial statements at 31 July 2015. The consolidated financial statements of Swansea University may be obtained from the Registrar, Swansea University, Singleton Park, Swansea, SA2 8PP.