

**USS Western Limited**

**Company registration number: 10455780**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**USS Western Limited**  
**For the year ended 31 March 2020**

**COMPANY INFORMATION**

<b>Company registration number</b>	10455780
<b>Registered office</b>	6 <sup>th</sup> Floor 60 Threadneedle street London EC2R 8HP
<b>Company secretary</b>	USS Secretarial Services Limited
<b>Directors</b>	Gavin B Merchant (resigned 30 July 2019) Emma L Singh Juan A P Tejedor (appointed 30 July 2019)
<b>Independent Auditor</b>	Ernst and Young LLP 25 Churchill Place Canary Wharf London E14 5EY

**USS Western Limited**  
**For the year ended 31 March 2020**

**STRATEGIC REPORT**

The Directors present their Strategic Report, Directors' Report and the audited Financial Statements of USS Western Limited (the "Company") for the year ended 31 March 2020.

**Principal activities**

The Company was incorporated on 1 November 2016 in England and Wales. The principal activity of the Company is that of an investment holding company.

The Company is wholly owned by L3 Investment Holdings LP (the "Partnership"). The Partnership's sole limited partner is Universities Superannuation Scheme Limited ("USSL"), (acting in its capacity as the sole corporate trustee of the Universities Superannuation Scheme (the "Scheme") and its General Partner is L3 Investment Holdings GP Limited. L3 Investment Holdings GP Limited is 100% owned by L3 Investment Holdco Limited, which is 100% owned by USSL (in the same capacity).

**Business review**

During the period the Company held the investment in Western Topco Limited, also known as Westerleigh, which is a developer and operator of crematoria and cemeteries in the UK.

The profit for the period before tax is £32,097,998 (2019: £12,612,589) and Net assets are £120,956,249 (2019: £88,858,251). The fair value of the investment is £120,967,137 (2019: £88,857,278) with an unrealised gain for the period of £32,109,859 (2019: £1,626,558).

A dividend was not paid to the shareholder in the year (2019: £10,973,659) and is not proposed for the year.

**Going Concern**

In performing their going concern assessment, the Directors have reviewed the principal risks and uncertainties facing the Company. The Company's fundamental objective and purpose is to hold the investment on behalf of the Scheme and therefore the main risks from a going concern perspective relate to the performance of the investment, Westerleigh. Assessment of this risk is performed by the processes detailed in the Key Performance Indicators section below. See note 1a for further details.

**Principal Risks and Uncertainties**

The principal risk of the Company is the performance of its investment in Westerleigh. The Directors have access to information on Westerleigh and its performance through USS Investment Management Limited, a wholly owned subsidiary of USSL, which acts as investment manager to USSL acting in its capacity as sole corporate trustee of the Scheme.

The investment manager receives a monthly management information pack and has bi-weekly calls on the information provided in the pack, in addition to other business updates. The management team of Westerleigh provide quarterly financials and KPIs to update the investment manager's internal performance monitoring system.

**Key Performance Indicators ("KPIs")**

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs, other than the results shown above in Business review, is not necessary for an understanding of the development, performance or position of the business.

The investment manager monitors and reviews key financial and non-financial information captured in an annual asset management plan (AAMP), which is also used to check the reasonableness of the valuation model of the asset. The valuation model itself is verified against actual results as a measure of performance and this is included in the review at a fair value committee to assess the appropriateness of the valuation. Performance is monitored monthly through a combination of the investment manager's fund accountants, performance dashboards and portfolio review committees.

**Future developments**

The Company expects to continue to hold its investment in Westerleigh for the foreseeable future.

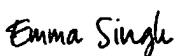
**USS Western Limited**  
**For the year ended 31 March 2020**

**STRATEGIC REPORT (CONTINUED)**

**Events after the end of the reporting period**

There are no events to report after the end of the reporting period.

Approved by the Board and signed on its behalf by:

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Emma L Singh  
Director  
Company number: 10455780  
20 October 2020

**USS Western Limited**  
**For the year ended 31 March 2020**

**DIRECTORS' REPORT**

**Directors**

The Directors, who served throughout the year and up to the date of this report are listed on page 1.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Further details on events after the end of the reporting period, future developments and risk disclosures are in the Strategic Report on page 2.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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; and
- 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.

**Provision of Information to Auditor**

The Directors confirm that:

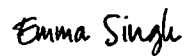
- in so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

Ernst and Young LLP have been appointed as auditor for the financial statements and have expressed their willingness to continue in office. Appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

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Emma L Singh

Director

USS Western Limited

Company number: 10455780

20 October 2020

**USS Western Limited**  
**For the year ended 31 March 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF USS WESTERN LIMITED**

**Opinion**

We have audited the financial statements of USS Western Limited for the year ended 31 March 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2020 and of its profits 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

**USS Western Limited**  
**For the year ended 31 March 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF USS WESTERN LIMITED (CONTINUED)**

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

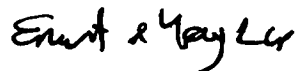
**Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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.



Ashley Coups (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
Date: 30 October 2020



**USS Western Limited**  
**For the year ended 31 March 2020**

**STATEMENT OF COMPREHENSIVE INCOME**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Investment income	1e	-	10,997,659
Administrative expenses	2	(11,861)	(11,628)
Unrealised gain on investments held at fair value through profit and loss	5	32,109,859	1,626,558
<b>Profit on ordinary activities before taxation</b>		<b>32,097,998</b>	<b>12,612,589</b>
Tax on profit on ordinary activities	4	-	-
<b>Profit for the year</b>		<b>32,097,998</b>	<b>12,612,589</b>

There are no recognised gains and losses other than those included in the result above.

All amounts relate to continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

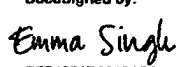
**USS Western Limited**  
**For the year ended 31 March 2020**

**STATEMENT OF FINANCIAL POSITION**  
**COMPANY REGISTRATION NUMBER: 10455780**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments at fair value through profit and loss	5	120,967,137	88,857,278
<b>Current assets</b>			
Debtors	6	24,001	24,001
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	(34,889)	(23,028)
<b>Net current (liabilities)/ assets</b>		<b>(10,888)</b>	<b>973</b>
<b>Net assets</b>		<b>120,956,249</b>	<b>88,858,251</b>
<b>Capital and reserves</b>			
Called-up share capital	8	65,209,339	65,209,339
Profit and loss account		55,746,910	23,648,912
<b>Shareholders' funds</b>		<b>120,956,249</b>	<b>88,858,251</b>

The notes on pages 10 to 16 form part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 20 October 2020 and were signed on its behalf by:

DocuSigned by:  
  
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Emma L Singh  
Director

**USS Western Limited****For the year ended 31 March 2020****STATEMENT OF CHANGES IN EQUITY**

	<b>Called-up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	65,209,339	23,648,912	88,858,251
Profit for the financial year	-	32,097,998	32,097,998
Distributions	-	-	-
<b>At 31 March 2020</b>	<b>65,209,339</b>	<b>55,746,910</b>	<b>120,956,249</b>

	<b>Called-up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2018	65,209,339	22,009,982	87,219,321
Profit for the financial year	-	12,612,589	12,612,589
Distributions	-	(10,973,659)	(10,973,659)
<b>At 31 March 2019</b>	<b>65,209,339</b>	<b>23,648,912</b>	<b>88,858,251</b>

The notes on pages 10 to 16 form part of these financial statements.

**USS Western Limited**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. Accounting policies**

USS Western Limited is a UK incorporated company (registration number: 10455780) of which the registered address is 6<sup>th</sup> Floor, 60 Threadneedle street, London, EC2R 8HP.

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and previous financial year.

**a. Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention modified to include the revaluation of financial assets and in accordance with the Companies Act 2006 and applicable accounting standards.

The financial statements of the Company have been prepared in accordance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at fair value through profit and loss.

The Company has chosen to apply the recognition and measurement requirements FRS 102 section 11.

The Company has not produced a cash flow statement on the basis that transactions did not require the use of cash or cash equivalents and does not have a cash account.

The risks identified in relation to going concern are not considered to be of a magnitude which casts significant doubt on the Company's ability to continue as a going concern.

The Directors in their assessment of going concern have considered the impact of coronavirus. Coronavirus has brought about increased market uncertainty and its impact on the investment, including the ability of the investment to make distributions, has been considered in the valuation of the investment. The Directors do not consider this to create a significant risk to the ability of the Company to continue as a going concern.

Furthermore, the Directors have also considered confirmation received from Universities Superannuation Scheme Limited ("USSSL") ("the Parent Company") that it intends to continue to provide financial support for the foreseeable future and thus the financial statements have been prepared on the going concern basis.

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 of accounting in preparing the annual financial statements.

Given that the Company currently has net current liabilities, the Scheme will continue to meet any current liabilities as they fall due.

**b. Critical judgements and estimates**

The Company holds its investment at fair value through profit and loss. The fair value has been determined using a discounted cash flow methodology applied by an external valuation expert and there is inherent estimation uncertainty underpinning the assumptions used. Management have considered the assumptions made, which principally relate to discount rates, cost of equity and future cash flows and determine these to be appropriate.

**c. Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by USS Western Limited are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

**USS Western Limited**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting policies (continued)**

**c. Financial instruments (continued)**

- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Conditions (a) and (b) have been met therefore the investment is treated as equity.

**d. Financial assets and liabilities**

***Initial recognition***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. As of 31 March 2020 there are no balances which were offset.

***Subsequent measurement***

Equity instruments are subsequently measured at fair value through profit or loss. Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition of paragraph (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition in paragraph (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one period are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

**USS Western Limited**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting policies (continued)**

**d. Financial assets and liabilities (continued)**

***Impairment***

A financial asset not at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that a financial asset is impaired includes significant financial difficulty of the issuer or obligor, a breach of contract, default or delinquency in interest or principal payments, restructuring of the amount due on terms that the

Company would not otherwise consider, indications that a borrower will enter bankruptcy or other financial reorganisation, or adverse changes in the payment status of the borrower due to adverse national or local economic conditions or adverse change in industry conditions.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised.

If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

***Derecognition***

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled; (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**e. Revenue recognition**

Revenue is wholly attributed to the principal activity of the Company, the investment in Westerleigh. Investment income relates to dividend income and is recognised when the right to receive payment is established.

**f. Taxation**

Current tax measured at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date except as otherwise required by FRS 102. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date that are expected to apply in the periods in which the timing difference is expected to reverse.

A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, is probable that it will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

A deferred tax asset has not been recognised with respect to tax losses in the current period as the Company is not expected to receive taxable income in the foreseeable future.

**USS Western Limited**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**1. Accounting policies (continued)**

**g. Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date. The functional and presentation currency is GBP.

**2. Administrative expenses**

Administrative expenses includes auditor's remuneration as listed below:

	2020	2019
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	10,885	9,690

No remuneration has been paid to the Company's auditor in respect of non-audit services.

**3. Employee and Directors' remuneration**

The Directors of the Company received no remuneration for their services during the period. Directors are paid through an affiliated company and costs are not recharged. The Company did not employ any person in the current period.

**4. Tax on profit on ordinary activities**

The tax assessed for the period is lower than the standard effective rate of corporation tax in the UK for the year ended 31 March 2020 of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before tax	32,097,998	12,612,589
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	6,098,620	2,396,392
Effects of:		
Non-taxable dividend income	-	(2,089,555)
Non-taxable unrealised gain	(6,100,873)	(309,046)
Deferred tax on losses not recognised	2,253	2,209
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the Company's future current tax charge accordingly.

Management is of the opinion that it is uncertain that the Company will be able to generate sufficient future taxable income within the period of reliable forecasting to recover the deferred tax asset. The Company has unrecognised deferred tax assets totalling £6,628 (2019: £4,375), primarily in relation to losses.

**USS Western Limited**  
**For the year ended 31 March 2020**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. Investments at fair value through profit and loss**

	2020 £	2019 £
<b>Investment in Western Topco Limited</b>		
Brought forward value	88,857,278	87,230,720
Unrealised gain on investments through profit and loss	32,109,859	1,626,558
As at 31 March 2020	<b>120,967,137</b>	<b>88,857,278</b>

**6. Debtors**

	2020 £	2019 £
Due from the Scheme	24,000	24,000
Due from L3 Investment Holdings LP	1	1
	<b>24,001</b>	<b>24,001</b>

The amount due from the Scheme represents the funds received by the Scheme on behalf of the Company, as the Company does not have a bank account. This amount is payable on demand and bears no interest charge.

The amount due from L3 Investment Holdings LP is related to the initial called-up share capital, which is payable on demand and bears no interest charge.

**7. Creditors: amounts falling due within one year**

	2020 £	2019 £
Accruals	11,861	23,028
Due to the Scheme	23,028	-
	<b>34,889</b>	<b>23,028</b>

The amount due to the Scheme represents the invoices settled by the Scheme on behalf of the Company. This amount is payable on demand and bears no interest charge.

**8. Called-up share capital**

	2020 £	2019 £
<b>Allotted and called-up</b>		
1 ordinary share of £1 each unpaid	1	1
65,209,338 ordinary shares of £1 each fully paid	65,209,338	65,209,338
	<b>65,209,339</b>	<b>65,209,339</b>

**9. Events after the end of the reporting period**

There are no events to report after the end of the reporting period.

**10. Related party transactions**

The Company has determined that it has significant influence over Westerleigh on the basis of its percentage shareholding. During the year the Company did not receive any distributions from Westerleigh (2019: £10,997,659).

At 31 March 2020 an amount of £1 was due from L3 Investment Holdings LP (2019: £1), the immediate parent company, with respect to unpaid share capital, as disclosed in note 6.



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. Related party transactions (continued)**

At 31 March 2020 an amount of £24,000 was due from the Scheme (2019: £24,000), which relates to distribution received by the Scheme on behalf of the Company, as disclosed in note 6. At 31 March 2020 £23,028 was owed to the Scheme (2019: nil), with respect to invoices settled by the Scheme on behalf of the Company as disclosed in note 7.

**11. Financial instruments and risk management**

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2020 £	2019 £
<b>Financial assets</b>		
Unlisted equity investments held at fair value through profit and loss	120,967,137	88,857,278
Debtors	24,001	24,001
<b>Total</b>	<b>120,991,138</b>	<b>88,881,279</b>
	2020 £	2019 £
<b>Financial liabilities</b>		
Creditors and accruals	34,889	23,028

**a. Fair value hierarchy**

The table below sets out fair value measurements in compliance with FRS 102 (section 11) as the Company holds financial instruments measured at fair value through profit or loss:

		2020 £	2019 £
Unlisted equity investment	Level 3	120,967,137	88,857,278

The above table provides an analysis of this investment based on the fair value hierarchy described below, which reflects the reliability and significance of the information used to measure fair value:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included with Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (or for which market data is unavailable) for the asset or liability.

The valuation policies of the Company are explained in note 1.

**b. Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, however the Company does not have any exposure to this risk as of the reporting date.

**c. Liquidity risk**

The liquidity risk of the Company is considered by the Directors to be low on the basis that the Company's liabilities are immaterial. As such, a maturity analysis for financial liabilities has not been presented.

The Company is currently in a net current liability position. The Scheme will continue to settle any current liabilities as they fall due.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. Financial instruments and risk management (continued)**

**d. Currency risk**

The principal assets and liabilities of the Company are denominated in GBP, which is the functional currency of the Company. Therefore the Company has limited currency risk exposure.

**12. Ultimate Controlling Party**

L3 Investment Holdings LP is the immediate parent company. L3 Investment Holdings LP is wholly owned by USSL ("the Ultimate Parent Company") in its capacity as the sole corporate trustee of the Universities Superannuation Scheme (the "Scheme"), a company registered in the United Kingdom. The Ultimate Parent Company presents individual financial statements, which are publicly available for review at the registered office of the Ultimate Parent Company, at Royal Liver Building, Liverpool, L3 1PY, United Kingdom.

The Ultimate Parent Company as the trustee of the Scheme owns the share capital of a number of special purpose entities to aid the efficient administration of the scheme investments. The results of the special purpose entities have not been consolidated into the financial statements of the Ultimate Parent Company because they are considered to be assets of the Scheme. Details of these entities, may be obtained by writing to the registered office of the Ultimate Parent Company, at Royal Liver Building, Liverpool, L3 1PY, United Kingdom.