

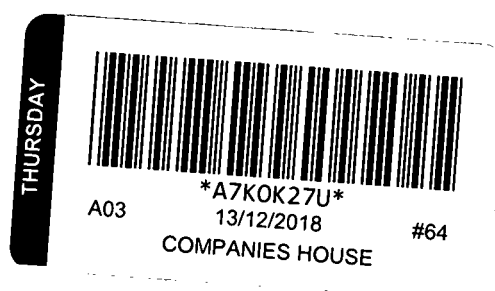
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# Greenwich University Enterprises Limited

(Company Registration No. 02354608)

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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# Greenwich University Enterprises Limited

## OFFICERS AND PROFESSIONAL ADVISERS

### Directors

Professor J Bonet  
Mr R V T Daly  
Mr I R Price  
Dr A Stojanovic  
Mr J C Wallace (resigned 31 May 2018)  
Professor A Westby

### Secretary

Dr P Williams

### Registered Office

University of Greenwich  
Old Royal Naval College  
Park Row  
Greenwich  
London SE10 9LS

### Company number

02354608

### Auditors

Grant Thornton UK LLP  
Chartered Accountants  
and Registered Auditors  
30 Finsbury Square  
London  
EC2A 1AG

### Bankers

Barclays Bank Plc  
1 Churchill Place  
Canary Wharf  
London E14 5HP

# Greenwich University Enterprises Limited

## REPORT OF THE DIRECTORS

The directors present their annual report on the affairs of the company together with the audited financial statements and auditor's report for the year ended 31 July 2018.

In preparing the directors' report the directors have taken advantage of the exemptions available to small companies.

### 1. Principal activities

The principal activities of the company are the provision of consultancy services, analytical testing, events/short lets and software sales.

### 2. Results and dividend

The results for the year as disclosed in the Statement of Comprehensive Income and Expenditure is a loss after taxation of £8,145 (2017: profit of £10,799). The Directors do not recommend the payment of a dividend.

### 3. Review of 2017/2018

The company has continued to provide research/consultancy, events/short lets and related services during the year ended 31 July 2018.

There was an overall increase of 3% in the revenue of the company during 2017/18, mainly arising from increased activity in research/consultancy. The various different business activities of the company performed as follows:

- a. Revenues from research/consultancy work have increased significantly this year by 30% as a result of new consultancy projects. Academics have concentrated on growing research activity which is largely accounted for through the parent company.
- b. Revenues from events and short lets have decreased in 2017/18 by 17% compared to prior year. Revenues have declined partly due to the poor quality of some rooms in Avery Hill, lack of en-suite facilities in Phase 1 and the lack of availability of rooms in the Old Royal Naval College. This, in addition, to strong competition in the market place made it difficult to secure business. However, the reduction in income has been mitigated by lower costs and reduction in staff numbers.
- c. Revenues from analytical testing decreased by 10% in 2017/18. This business area has had a challenging year primarily due to the lack of staff resources which has resulted in delays with existing clients. It is expected that activity will recover in 2018/19.
- d. Revenue from software sales decreased by 28% this year. Sales are historically very volatile due to this being much specialised software for a niche market, with consequential large fluctuations in demand from year to year.

The following is a summary of revenues across all activities:

	<u>2017/18</u>	<u>2016/17</u>	<u>Variance</u>	<u>% Change</u>
	£'000	£'000	£'000	
Research/Consultancy	904	694	210	30%
Events/Short Lets	156	188	(32)	-17%
Analytical Testing	116	129	(13)	-10%
Software Sales	280	389	(109)	-28%
Other	84	89	(5)	-6%
	<u>1,540</u>	<u>1,489</u>	<u>51</u>	3%

# Greenwich University Enterprises Limited

## 4. Future developments

The Wolfson Centre has continuing work in the renewable energy sector and work relating to international shipping will remain a major source of income. Another area that is seeing growth is the additive manufacturing sector, particularly in 3D printing. In-company courses are scheduled for next year as companies recognise the value of training. General understanding of bulk materials provides the most common theme. Expert work with the Cabinet Office is continuing with a value of £110k in 2019. Analytical testing is seeing new opportunities in the key area of petroleum with potential to expand current business. The events/short lets activities will remain on par with prior year as the halls undergo major refurbishment; a rise in demand for conferences is anticipated once the refurbishment of the Devonport Hall is finished and the major building works at the Dreadnought Student Hub are completed. However, priority will still be given to the University's Summer School business. Plans to enter the B&B market in Greenwich are currently on hold as it is not possible to compete with Travel Lodge and Premier Inns. This will only be revived if the B&B supply is exceeded by demand.

## 5. Principal risks and uncertainties

The company's operations expose it to a variety of financial risks. The company has in place a risk management programme that seeks to limit the adverse effect of those risks on the financial performance of the company. The policies set by the board of directors are implemented by the company's Finance Department.

## 6. Going concern

The loss for the year was £8,145 and at the balance sheet date the company had net current liabilities of £123,075.

The financial statements of the company have been prepared on a going concern basis and the validity of this depends on the continuing support of its parent company, the University of Greenwich. The financial statements do not include any adjustments that would result from a failure to obtain such continuing support.

## 7. Directors and their interests

The directors who have served during the year and up to the date of signing the financial statements were as follows:-

Professor J Bonet  
Mr R V T Daly  
Mr I R Price  
Dr A Stojanovic  
Mr J C Wallace (resigned 31 May 2018)  
Professor A Westby

The directors had no share option or debenture interests.

## 8. Statement of directors' responsibilities for the annual report

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102 - 'The Financial Reporting Standard applicable in the United Kingdom 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 and 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;

# Greenwich University Enterprises Limited

- 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.

## 9. Disclosure of information to auditors

In so far as each of the company's directors, as set out on page 2, is aware:

- there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## 10. Auditors

Grant Thornton UK LLP have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming meetings of the Board of Governors and relevant Committees.

## 11. Approval

The Report of the Directors was approved by the Board on 22/11/2018 and signed on its behalf by:

By Order of the Board

Dr A Stojanovic  
Director

Dated: 22/11/2018

# Greenwich University Enterprises Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENWICH UNIVERSITY ENTERPRISES LTD

### Opinion

We have audited the financial statements of Greenwich University Enterprises Limited (the 'company') for the year ended 31 July 2018 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Equity, the Statement of Financial Position and notes to the financial statements, 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 Financial Reporting Standard 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 state of the company's affairs as at 31 July 2018 and of its result 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. 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.

### Who we are reporting to

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.

### 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 directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 5, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

# Greenwich University Enterprises Limited

## 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## Matter on which we are required to report under the Companies Act 2006

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 directors' report.

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 4 and 5, 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Grant Thornton UK LLP

Jennifer Brown  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
Date: 27 NOV 2018

# Greenwich University Enterprises Limited

## STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR YEAR ENDED 31 JULY 2018

	<i>Note</i>	<b>2018 £</b>	<b>2017 £</b>
Turnover	4	1,540,141	1,488,968
Cost-of-sales		(1,144,335)	(1,175,361)
Gross profit		395,806	313,607
Administrative expenses	5	(404,124)	(302,821)
Operating (loss)/profit	6	(8,318)	10,786
Interest receivable	8	173	13
Operating (loss)/profit on ordinary activities before taxation		(8,145)	10,799
Tax on loss/profit on ordinary activities	9	-	-
Operating (loss)/profit on ordinary activities after taxation		(8,145)	10,799
Gift aid donation to University of Greenwich		-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(8,145)</b>	<b>10,799</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(8,145)</b>	<b>10,799</b>

All items dealt with in arriving at the operating profit for 2018 relate to continuing operations.

## STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 31 JULY 2018

	<b>Called Up Share Capital £ (Note 14)</b>	<b>Retained Earnings £ (Note 15)</b>	<b>Total £ (Note 15)</b>
Balance as at 1 August 2016	2	(150,208)	(150,206)
Total Comprehensive Income	-	10,799	10,799
Balance as at 31 July 2017	2	(139,409)	(139,407)
Balance as at 1 August 2017	2	(139,409)	(139,407)
Total Comprehensive Income	-	(8,145)	(8,145)
<b>Balance as at 31 July 2018</b>	<b>2</b>	<b>(147,554)</b>	<b>(147,552)</b>



# Greenwich University Enterprises Limited

(Company Registration No. 2354608)

## STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2018

	Note	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Property, plant and equipment	10	-	-	-	-
Investments	11	200		200	
			200		200
<b>CURRENT ASSETS</b>					
Debtors	12	690,338		865,379	
Cash at bank and in hand		107,381		140,312	
		797,719		1,005,691	
<b>LESS CREDITORS</b>					
Amounts falling due within one year	13	(920,794)		(1,145,298)	
<b>NET CURRENT LIABILITIES</b>			(123,075)		(139,607)
Provisions	14	(24,677)		-	
<b>TOTAL NET ASSETS</b>			(147,552)		(139,407)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		2		2
Profit and loss account			(147,554)		(139,409)
	16		(147,552)		(139,407)

The preparation of this report has taken advantage of the special exemptions applicable to small companies under Part 15 of the Companies Act 2006. In the opinion of the directors the company is entitled to these exemptions on the grounds that it has met the qualifications for a small company specified in sections 382 and 383 of the Companies Act 2006.

The financial statements were approved by the Board on 22/11/2018 and signed on its behalf by:-

Dr A Stojanovic  
Director  
Dated: 22/11/2018

Mr R V T Daly  
Director  
Dated: 22/11/2018

# Greenwich University Enterprises Limited

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Greenwich University Enterprises Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office can be found on page 2.

### 2. Ultimate Controlling Party

The parent company and ultimate holding company of Greenwich University Enterprises Limited is the University of Greenwich, which is an exempt charity, and a company limited by guarantee. The University is incorporated in England and Wales. Copies of the consolidated financial statements for the University of Greenwich are held at 30 Park Row, Greenwich, London SE10 9LS.

### 3. Accounting Policies

#### Basis of Accounting

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The functional currency is GBP Sterling.

The directors are of the opinion that the company will continue in operational existence for the foreseeable future. Given the negative net asset position of the company, the validity of this depends on the continuing support of its parent company, the University of Greenwich. The financial statements do not include any adjustments that would result from a failure to obtain such continuing support.

The principal accounting policies, which have been applied consistently throughout the year are set out below.

#### Significant Judgements and Estimates

The preparation of the Group's financial statements requires the use of certain judgements, estimates and assumptions that determine the reported amounts of assets, liabilities and expenses. Estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### Exemptions for Qualifying Entities Under FRS 102

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cash Flows, on the basis that it is a qualifying entity;
- The requirement to disclose transactions with wholly owned Group companies as stated in paragraph 33.1A of FRS 102: Related Party Disclosures.
- The requirement to disclose remuneration of key management personnel under Section 33.7 of FRS 102.
- The requirements of Section 11 Financial Instruments, on the basis that it is a qualifying entity.

#### Turnover

Turnover represents the total amount receivable in the ordinary course of business for services and goods supplied within the UK, excluding value added tax.

#### Depreciation

Items of equipment costing over £6,000 are capitalised and depreciated as stated below.

Capitalised equipment is stated at cost and depreciated on a straight line basis, over its expected useful life, as follows:

# Greenwich University Enterprises Limited

Equipment acquired for specific research projects	-	project life
Other general equipment	-	5 years

## Stock

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents direct materials and labour.

## Taxation

Greenwich University Enterprises Limited is liable for corporation tax on all profits and gains.

## Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

## Foreign Currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. All exchange differences arising are dealt with in the Statement of Comprehensive Income.

## 4. Turnover

Turnover comprises income from consultancies, analytical testing, events/short lets, and sales of software.

## 5. Administrative Expenses

Administrative expenses in the year were £404,124 (2017: £302,821).

## 6. Operating Profit

The operating profit for the year is stated after charging:-

	2018 £	2017 £
Auditors' remuneration	<u>6,100</u>	<u>5,000</u>

## 7. Directors and Employees

- The company does not employ any members of staff. The University recharges the company for supply of services of its staff members for the activities of Greenwich University Enterprises Limited.
- None of the Directors received any emoluments for their services as directors.

## 8. Interest Receivable

Bank deposits	<u>173</u>	<u>13</u>
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# Greenwich University Enterprises Limited

## 9. Tax On Profit On Ordinary Activities

	2018 £	2017 £
<b>United Kingdom Corporation Tax:</b>		
Current tax on income for the year		-
Adjustments in respect of prior years		-
Tax on profit on ordinary activities	-	-
<b>Current Tax Reconciliation:</b>		
(Loss)/Profit for the year	(8,145)	10,799
Theoretical tax at UK Corporation Tax of 19.00% (2017: 19.67%)	(1,548)	2,124
<b>Effects On:</b>		
Adjust closing deferred tax to average rate 19.00%	2,290	(2,124)
Adjust opening deferred tax to average rate of 19.00%	(2,127)	-
Deferred tax not recognised	1,385	-
<b>Current Charge For The Period</b>	-	-

The company has a deferred tax asset of £19,463 (2017: £18,078) comprising tax losses of £Nil (2017: £Nil) and accelerated capital allowances of £19,463 (2017: £18,078). This asset has not been recognised due to uncertainties as to the extent and timing of its future recoverability.

## 10. Fixed Assets

		Equipment £
Cost	As at 1 August 2017	349,594
	<b>As at 31 July 2018</b>	<b>349,594</b>
Depreciation	As at 1 August 2017	349,594
	<b>As at 31 July 2018</b>	<b>349,594</b>
Net Book Value	As at 31 July 2017	-
<b>Net Book Value</b>	<b>As at 31 July 2018</b>	<b>-</b>

# Greenwich University Enterprises Limited

## 11. Investments

	2018 £	2017 £
Shares in Carbon 8 Systems Limited	200	200
	<u>200</u>	<u>200</u>

## 12. Debtors

### Amounts Falling Due Within One Year:

Trade debtors	220,815	174,639
Amount owed by holding company	468,145	659,502
Other debtors	1,378	-
Prepayments and accrued income	-	31,238
	<u>690,338</u>	<u>865,379</u>

## 13. Creditors

### Amounts Falling Due Within One Year:

Trade creditors	9,120	2,777
Other creditors	15,510	33,853
Accruals and deferred income	896,164	1,108,668
	<u>920,794</u>	<u>1,145,298</u>

## 14. Provisions

Provision for losses on contracts	24,677	-
	<u>24,677</u>	<u>-</u>

## 15. Called Up Share Capital

### Authorised

1,000 Ordinary Shares of £1 each	1,000	1,000
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### Allotted, Called Up and Unpaid

2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>
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## 16. Reconciliation of Movement in Shareholders' Funds

Opening shareholders' funds	(139,407)	(150,206)
Profit for the financial year	(8,145)	10,799
	<u>(147,552)</u>	<u>(139,407)</u>

## 17. Related Party Transactions

The company has taken advantage of the exemption not to disclose any transactions or balances with entities that are wholly owned by the parent company, in accordance with FRS 102. There are no other related party transactions.