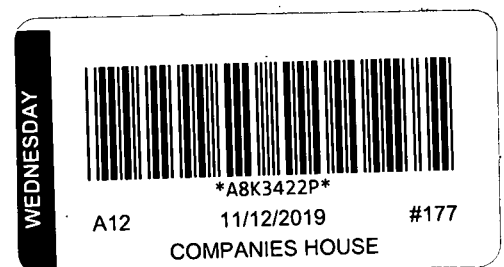


Newcastle University Ventures Limited

Report and Financial Statements

31 July 2019

(Registered Number: 02231157)



Directors' report for the year ended 31 July 2019

The directors present their report and the audited financial statements of the company for the year ended 31 July 2019.

Registered office

c/o Finance & Planning, Newcastle University, King's Gate, Newcastle upon Tyne, NE1 7RU United Kingdom.

Principal activities

The company did not trade in the year having previously provided commercial management and professional services in support of technology transfer from the University to industry.

Results

The loss for the financial year after taxation amounts to £2,651 (2018: £2,659).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are as follows:

A L Tobin
S Wilmot
R C Dale
A G Wright-Watkinson

None of the directors have a beneficial interest in the shares of the company. None of the directors received any remuneration in respect of their services to the company during the year. Certain other remunerations are paid by other related companies in connections with duties as an officer of those related companies.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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.

NEWCASTLE UNIVERSITY VENTURES LIMITED

Statement of directors' responsibilities

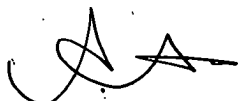
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors' report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

By Order of the Board



A L Tobin
Director

24th September 2019

Independent auditor's report to the members of Newcastle University Ventures Limited

Opinion

We have audited the financial statements of Newcastle University Ventures Limited (the 'company') for the year ended 31 July 2019 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 9, 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 July 2019 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.

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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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 Report and Financial Statements, 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.

NEWCASTLE UNIVERSITY VENTURES LIMITED

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 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.

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 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; 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

As explained more fully in the Statement of Directors' responsibilities, 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.

NEWCASTLE UNIVERSITY VENTURES LIMITED

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.



Stephen Reid (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

9 October 2019

Notes:

1. The maintenance and integrity of the Newcastle University Ventures Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income Statement

for the year ended 31 July 2019

	Note	2019 £	2018 £
Turnover		-	-
Administrative expenses		(2,670)	(2,670)
Operating profit/(loss)		(2,670)	(2,670)
Interest receivable and similar income		19	11
Profit/(loss) on ordinary activities before taxation	2	(2,651)	(2,659)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) for the financial year		(2,651)	(2,659)

All amounts relate to continuing operations.

Statement of Comprehensive Income

for the year ended 31 July 2019

There is no other comprehensive income other than the loss attributable to the shareholders of the company of £2,651 in the year ended 31 July 2019 (2018: loss £2,659).

Statement of Changes in Equity

for the year ended 31 July 2019

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 August 2017	300,000	(232,769)	67,231
Loss for the financial year	-	(2,659)	(2,659)
At 1 August 2018	300,000	(235,428)	64,572
Profit for the financial year	-	(2,651)	(2,651)
At 31 July 2019	300,000	(238,079)	61,921

Statement of Financial Position

at 31 July 2019

	Note	2019 £	2018 £
Non-Current assets			
Investments	4	999,680	999,680
Current assets			
Debtors – due more than one year	5	500,000	500,000
Cash at bank and in hand		9,480	9,461
		509,480	509,461
Creditors amounts falling due within one year	6	(1,447,239)	(1,444,569)
Net current liabilities		(937,759)	(935,108)
Net assets		61,921	64,572
Capital and reserves			
Called up share capital	7	300,000	300,000
Profit and loss account	8	(238,079)	(235,428)
Total shareholders' funds		61,921	64,572

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Board of Directors and authorised for issue on 24th of September 2019 and signed on their behalf by:



A L Tobin
Director

Notes to the financial statements

at 31 July 2019

1. Accounting policies

(a) Statement of Compliance

Newcastle University Ventures Limited is a limited liability company incorporated in England. The Registered Office is c/o Finance and Planning Office, Newcastle University, King's Gate, Newcastle upon Tyne, NE1 7RU. The Company's financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A small entities as it applies to the financial statements of the Company for the year ended 31 July 2019.

(b) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £.

(c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The Directors consider there to be no significant judgements or sources of estimation uncertainty.

(d) Going concern

The directors have prepared the financial statements on a going concern basis which assumes that the company will continue in operating existence for the foreseeable future and meet its liabilities as they fall due. At the balance sheet date the company had net current liabilities of £937,759 (2018: £935,108).

The company is dependent on continuing financial support being available from its parent undertaking. The directors have received confirmation that financial support will continue to be available to the company in the foreseeable future by way of support from its parent undertaking and believe that forecasts have been prepared on the best available current information. Accordingly, the directors of the company believe that it is appropriate to prepare the financial statements on a going concern basis.

(e) Valuation of non-current asset investments

Non-current asset investments are held on the Balance Sheet at cost less impairment.

(f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

(g) Short term creditors

Creditors with no stated interest rate and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

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for the year ended 31 July 2019

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NEWCASTLE UNIVERSITY VENTURES LIMITED

2. Profit/(loss) on ordinary activities before taxation

Stated after charging:

	2019 £	2018 £
Auditors' remuneration	<u>1,200</u>	<u>1,200</u>

The Company has no employees (2018: nil). None of the directors received any remuneration during the year in respect of their service to the company (2018: £nil).

3. Tax on profit/(loss) on ordinary activities

(a) Analysis of tax charge in the year

	2019 £	2018 £
Current tax:		
UK corporation tax on loss of the year	<u>-</u>	<u>-</u>
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below.

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>(2,651)</u>	<u>(2,659)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(504)	(505)
Group relief surrendered	504	505
Movement in deferred tax not recognised	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

The company has £53,399 (2018: £53,399) of losses carried forward and £7,083 (2018: £7,083) of capital losses as at 31 July 2019.

4. Non-Current investments

	2019 £	2018 £
Cost		
At 1 August	999,980	284,300
Additions	-	715,680
At 31 July	<u>999,980</u>	<u>999,980</u>
Impairment		
At 1 August	(300)	(300)
Charge during the year	-	-
At 31 July	<u>(300)</u>	<u>(300)</u>
Net Book Value		
At 1 August	<u>999,680</u>	<u>999,680</u>

Tyne Subsea Limited

During the year ended 31st July 2015 the company acquired a 24% per cent holding in Tyne Subsea Limited, a company incorporated on 7th August 2014. The remaining 76% share is owned by BEL valves Limited, a wholly owned subsidiary of British Engines (UK) Limited. During the 2018 year the company subscribed for 569,785 B shares in Tyne Subsea Limited for £715,680.

Tyne Subsea Limited's principal activity is the provision of a hyperbaric pressure vessel facility for both commercial testing and research. Since incorporation to 31 July 2019, Tyne Subsea Limited has accumulated losses of £1,325,467 however the directors have assessed that it is not appropriate to record an impairment of the investment in these financial statements given positive future trading forecasts.

NEWCASTLE UNIVERSITY VENTURES LIMITED

5. Debtors

	2019	2018
	£	£
Amounts due from associated undertaking	<u>500,000</u>	<u>500,000</u>

6. Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to ultimate parent undertaking	1,444,569	1,441,899
Accruals and deferred income	<u>2,670</u>	<u>2,670</u>
	<u>1,447,239</u>	<u>1,444,569</u>

7. Called up share capital

	2019	2018
	£	£
Ordinary shares of £1 each		
Authorised:	<u>500,000</u>	<u>500,000</u>
Allotted and fully paid as at 31 July	<u>300,000</u>	<u>300,000</u>

8. Reserves

Profit and loss account

This reserve represents the cumulative comprehensive income recognised in the company, less any dividends paid.

9. Ultimate parent undertaking

The immediate parent undertaking is Newcastle University Holdings Limited.

The ultimate parent undertaking, and controlling party is The University of Newcastle upon Tyne, which has prepared group financial statements incorporating the results of Newcastle University Ventures Limited.

Financial statements of the University of Newcastle upon Tyne can be obtained from:
Executive Director of Finance
The University of Newcastle upon Tyne
King's Gate
Newcastle upon Tyne
NE1 7RU

Transactions with The University of Newcastle upon Tyne are not disclosed, as the company has taken advantage of the exemption contained within FRS 102.33.1A on the grounds that the company is a wholly owned subsidiary.