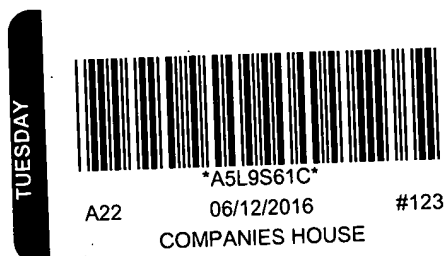


REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

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Greenwich University Enterprises Limited

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Professor J Bonet	(appointed 30-11-15)
	Mr R V T Daly	
	Mr I R Price	
	Dr A Stojanovic	
	Mr J Wallace	(appointed 30-11-15)
	Professor A Westby	

Secretary	Dr P Williams
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Registered Office	University of Greenwich Old Royal Naval College Park Row Greenwich London SE10 9LS
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Company number	2354608
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Auditors	Grant Thornton UK LLP Chartered Accountants and Registered Auditors Grant Thornton House Melton Street London NW1 2EP
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Bankers	Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5HP
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Greenwich University Enterprises Limited

REPORT OF THE DIRECTORS

The Directors submit their report and the Financial Statements for the year ended 31 July 2016.

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 Retained Earnings is a loss after taxation of £30,210 (2015 loss after taxation: £137,268). The Directors do not recommend the payment of a dividend.

3. Review of 2015/2016

The company has continued to provide research / consultancy, events / short lets and related services during the year ended 31 July 2016.

There was an overall decrease of 19% in the revenue of the company during 2015/16, mainly arising from decreased activity in research / consultancy and events / short lets. The various different business activities of the company performed as follows:

- a. Revenues from research/consultancy work have fallen this year by 22% as a result of a slowdown in new contracting. 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 2015/16 by 38%. Revenues have declined partly due to the poor condition of the Cutty Sark and Devonport Halls (which has made them difficult to let), the reduction in large conferences and the repositioning of summer school lets accounted for through the University. In addition, the bed and breakfast lettings introduced in July 2015 in the new Daniel Defoe hall of residence were not successful.
- c. Revenues from analytical testing decreased by 13% in 2015/16. Over the last few years activity has been impacted by the global reduction in the price of crude and gas, but confidence in the sector is starting to return. The company is investing in R&D and anticipates that it will be able to expand its analytical offering in future.
- d. Revenue from software sales increased by 23% this year as a result of a high level of product development. This is historically a very volatile due to very specialised software being sold in a niche market with consequential large fluctuations in demand from year to year.

The following is a summary of revenues across all activities:

	<u>2015-16</u>	<u>2014-15</u>	<u>Variance</u>	<u>% Change</u>
Research / Consultancy	850	1,094	(244)	-22%
Events / Short Lets	397	636	(239)	-38%
Analytical Testing	231	266	(35)	-13%
Software Sales	350	285	65	23%
Other	34	30	4	13%
	<u>1,862</u>	<u>2,311</u>	<u>(449)</u>	<u>-19%</u>

At the balance sheet date GUEL held 7,000 shares (4.75%) in Toximet Limited (a spin off company). Toximet Limited entered into administration on 13 November 2015. The shares were written down to zero in the year to 31 July 2015.

Greenwich University Enterprises Limited

REPORT OF THE DIRECTORS (cont'd)

4. Future developments

Pipeline contracts for research / consultancy have not increased significantly over the last year with academics concentrating on research projects (which are accounted for through the University) and revenue is only forecast to rise marginally in 2016-17. The Events and Short Lets Team is trialling a new provider for a small number of bed and breakfast lettings in the hope that this new area of business could be profitable in future years. In addition, the refurbishment of the Cutty Sark and Devonport Halls will make them more attractive for lettings.

Analytical testing is diversifying to include analysis of shale and organic matter and it is hoped this new area will compensate for the reduction in demand for analysis of drilling cores in future. Software sales are forecast to continue at a similar level to that seen in 2015/16.

5. Going concern

The loss for the year was £30,210 and at the balance sheet date the company had net current liabilities of £161,804.

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.

6. Directors and their interests

The directors who have served during the year together with their interests in the Ordinary Shares of the company are as follows:-

	31 July 2016	31 July 2015
Professor J Bonet	-	-
Mr R V T Daly	-	-
Mr I R Price	-	-
Dr A Stojanovic	-	-
Mr J Wallace	-	-
Professor A Westby	-	-

The directors had no share option or debenture interests.

7. 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;
- 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.

Greenwich University Enterprises Limited

REPORT OF THE DIRECTORS (cont'd)

8. 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.

9. 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.

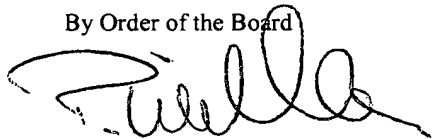
10. Qualifying entity disclosure

The company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the exemptions in respect of the preparation of a cash flow statement, disclosure of the remuneration of key management personnel and the disclosure of financial instruments.

11. Approval

The Report of the Directors was approved by the Board on 29 November 2016 and signed on its behalf by:

By Order of the Board



Paul Williams
Secretary

Dated: 29 November 2016

Greenwich University Enterprises Limited

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

We have audited the financial statements of Greenwich University Enterprises Limited for the year ended 31 July 2016 which comprise the statement of financial position, the statement of comprehensive income and retained earnings, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Greenwich University Enterprises Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENWICH UNIVERSITY ENTERPRISES LTD (cont'd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Jennifer Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: *29 November 2016*

Greenwich University Enterprises Limited

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS FOR YEAR ENDED 31 JULY 2016

	Note	2016 £	2015 £
Turnover	3	1,862,415	2,311,034
Cost of sales		(1,511,379)	(1,836,494)
Gross profit		351,036	474,540
Administrative expenses		(381,324)	(606,112)
Operating loss	5	(30,288)	(131,572)
Interest receivable	7	78	80
Operating loss on ordinary activities before taxation		(30,210)	(131,492)
Tax on loss on ordinary activities	8	-	(5,776)
Operating loss on ordinary activities after taxation		(30,210)	(137,268)
Gift aid donation to University of Greenwich		-	-
LOSS FOR THE FINANCIAL YEAR		(30,210)	(137,268)

All items dealt with in arriving at the operating loss for 2016 relate to continuing operations. The company has no recognised gains and losses other than those included in the loss above, and therefore no separate statement of total recognised gains and losses has been prepared.

There is no difference between the loss on ordinary activities before taxation, the loss for the year and their historical cost equivalents.

Greenwich University Enterprises Limited

(Company Registration No. 2354608)

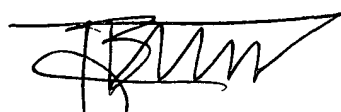
STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2016

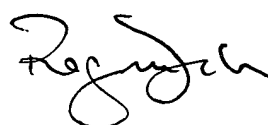
	Note	2016		2015	
		£	£	£	£
FIXED ASSETS					
Property, plant and equipment	9	11,398		49,752	
Investments	10	<u>200</u>		<u>200</u>	
			11,598		49,952
CURRENT ASSETS					
Debtors	11	1,028,299		1,326,821	
Cash at bank and in hand		65,152		31,920	
		<u>1,093,451</u>		<u>1,358,741</u>	
LESS CREDITORS					
Amounts falling due within one year	12	<u>(1,255,255)</u>		<u>(1,528,689)</u>	
NET CURRENT LIABILITIES			<u>(161,804)</u>		<u>(169,948)</u>
TOTAL NET ASSETS			<u>(150,206)</u>		<u>(119,996)</u>
CAPITAL AND RESERVES					
Called up share capital	13		2		2
Profit and loss account			<u>(150,208)</u>		<u>(119,998)</u>
	14		<u>(150,206)</u>		<u>(119,996)</u>

Advantage has been taken in the preparation of this report 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 29 November 2016 and signed on its behalf by:-


Professor J Bonet
Director

Dated: 29 November 2016


R V Daly
Director

Dated: 29 November 2016

Greenwich University Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

1. 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.

2. 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'). In preparing the accounts, the Directors have considered whether in applying the accounting policies required by FRS 102 the restatement of comparative items was required. No restatements were required and therefore no reconciliation of opening balances is required. The functional currency is GBP Sterling.

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

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:

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.

Cash Flow

The company has taken advantage of the exemption granted by FRS 102 for qualifying entities, and therefore does not produce a cashflow statement.

Greenwich University Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

3. Turnover

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

4. Administrative Expenses

Administrative expenses in the year were £381,324.

5. Operating Loss

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

	2016 £	2015 £
Auditors' remuneration	<u>3,730</u>	<u>3,640</u>

6. Directors and Employees

- i) 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.
- ii) None of the Directors received any emoluments for their services as directors.

7. Interest Receivable

	2016 £	2015 £
Bank deposits	<u>78</u>	<u>80</u>

Greenwich University Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

8. Tax On Loss On Ordinary Activities

	2016 £	2015 £
United Kingdom Corporation Tax:		
Current tax on income for the year	-	5,776
Adjustments in respect of prior years	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>5,776</u>
Current Tax Reconciliation:		
Loss for the year after Gift Aid Donation	<u>(30,210)</u>	<u>(131,492)</u>
Theoretical tax at UK Corporation Tax of 20.00% (2015: 20.00%)	(6,042)	(26,298)
Effects On:		
Adjusted closing deferred tax to average rate 20.00% (2015: 18.00%)	2,343	-
Deferred tax not recognised	3,699	-
Accelerated capital allowances	-	2,070
Expenditure not deductible for tax purposes	-	30,004
Current Charge For The Period	<u>-</u>	<u>5,776</u>

The company has a deferred tax asset of £21,085 (2015: £17,386) comprising tax losses of £Nil (2015: £Nil) and accelerated capital allowances of £21,085 (2015: £17,386). This asset has not been recognised due to uncertainties as to the extent and timing of its future recoverability.

Greenwich University Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

9. Fixed Assets

		Equipment £
Cost	As at 1 August 2015	349,594
	Additions	-
	Disposals	-
	As at 31 July 2016	349,594
Depreciation	As at 1 August 2015	299,842
	Disposals	-
	Charge for Year	38,354
	As at 31 July 2016	338,196
Net Book Value	As at 31 July 2015	49,752
Net Book Value	As at 31 July 2016	11,398

10. Investments

	2016 £	2015 £
Shares in Toximet Limited	-	-
Shares in Carbon 8 Systems Limited	200	200
	200	200

Toximet Limited entered administration on 13 November 2015. Greenwich University Enterprises Limited's shareholding was written down to zero in the prior year's financial statements.

11. Debtors

	2016 £	2015 £
Amounts Falling Due Within One Year:		
Trade debtors	350,935	343,428
Amount owed by holding company	675,586	979,456
Prepayments and accrued income	1,778	3,937
	1,028,299	1,326,821

Greenwich University Enterprises Limited

NOTES TO THE FINANCIAL STATEMENTS

12. Creditors

	2016 £	2015 £
Amounts Falling Due Within One Year:		
Trade creditors	17,160	14,029
Taxation and social security	-	5,776
Other creditors	35,705	31,679
Accruals and deferred income	1,202,390	1,477,205
	<u>1,255,255</u>	<u>1,528,689</u>

13. Called Up Share Capital

	2016 £	2015 £
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted, Called Up and Unpaid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

14. Reconciliation of Movement in Shareholders' Funds

	2016 £	2015 £
Opening shareholders' funds	(119,996)	17,272
(Loss) / Profit for the financial year	(30,210)	(137,268)
	<u>(150,206)</u>	<u>(119,996)</u>

15. Related Party Transactions

The company has taken advantage of the exemption not to disclose any transaction or balances with entities that are part of the group. There are no other related party transactions.