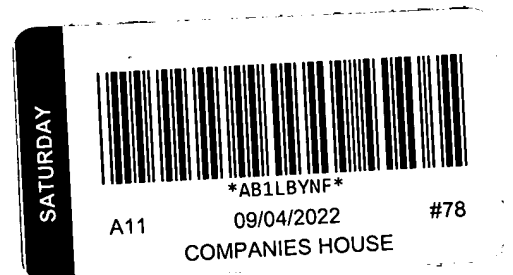


# AWEN WALES LIMITED

Registered number: 06856855

## Director's Report and Financial Statements

For the year ended 31 July 2021



**Contents**

**Pages**

**Directors and advisors**

**1**

**Director's report**

**2 - 3**

**Independent Auditors' report to the members of Awen Wales Limited**

**4 – 6**

**Statement of comprehensive income**

**7**

**Statement of changes in equity**

**7**

**Statement of financial position**

**8**

**Notes to the accounts**

**9 - 11**

## **AWEN WALES LIMITED**

---

### **Directors and Advisors**

**Directors** Prof M Hughes

**Company Number** 06856855

**Registered Office** UWTSD  
College Road  
Carmarthen  
SA31 3EP

**Auditors** KPMG LLP  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

## **Director's Report**

### **Principal Activities and Review of Business**

The principal activity of the company is to take advantage of investment opportunities on behalf of the University of Wales. The company was incorporated on 24 March 2009.

### **Going Concern Review**

The financial statements are prepared on a going concern basis which the directors have considered and believe to be appropriate for the following reasons.

Awen Wales is a holding company for an investment. The administrations costs of the company, which are minimal, are financed by the parent company. The parent company continues to provide support in 2021-22 and 2022-23 and for at least 12 months from the approval of these financial statements.

In considering the ongoing impact of Covid-19 the directors have no indication that this will have any impact on the business.

### **Ultimate Parent Company**

The directors regard University of Wales, which is registered in England and Wales, as its parent undertaking and ultimate controlling party.

### **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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102). 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Director's Report (Continued)**

**Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing their report and to establish that the company's auditor is aware of that information.

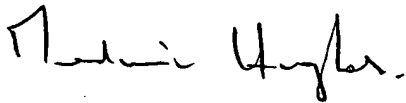
**Auditor**

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

**Small companies exemption**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31 March 2022 and signed on its behalf



Prof. Medwin Hughes  
Director  
College Road  
Carmarthen  
SA31 3EP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AWEN WALES LIMITED

### Opinion

We have audited the financial statements of Awen Wales Limited ("the company") for the year ended 31 July 2021 which comprise the Statement of Income, Statement of Changes in Equity, Statement of Financial Position and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its Total Comprehensive Expense for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the University of Wales' policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The directors are responsible for the other information, which comprises the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the directors' report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

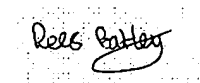
**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Rees Batley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

6 April 2022



# AWEN WALES LIMITED

## Statement of Income for the year to 31 July 2021

	Notes	31 July 2021 £	31 July 2020 £
Income	2	2,200	2,000
Operational Expenditure	2	(2,200)	(2,000)
Impairment	3	-	-
<b>Surplus/(deficit) before tax</b>		-	-
Taxation		-	-
<b>Surplus/(deficit) for the year</b>		-	-
<b>Total Comprehensive Expense for the period</b>		-	-

## Statement of Changes in Equity

	Share Capital £	Profit and Loss Reserves £	Total £
Balance at 1 August 2020	1	-	1
Loss for the year	-	-	-
<b>Balance at 31 July 2021</b>	<b>1</b>	<b>-</b>	<b>1</b>

The results above relate entirely to continuing activities. The company has no items of comprehensive income other than those included in the profits/(losses) above

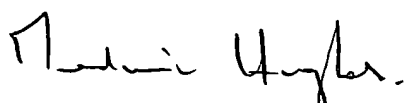
The notes on page 9 - 11 form part of the financial statements

Statement of Financial Position as at 31 July 2021

	Notes	31 July 2021 £	31 July 2020 £
<b>Non-Current Assets</b>			
Investment in joint venture	3	-	-
<b>Current assets</b>			
Trade and other debtors	4	2,201	2,001
<b>Creditors: amounts falling due within one year</b>	5	(2,200)	(2,000)
<b>Net current liabilities</b>		1	1
<b>Total net liabilities</b>		1	1
<b>Capital and Reserves</b>			
Called up share capital	6	1	1
Reserves: income and expenditure account	6	-	-
<b>Shareholder's funds</b>		1	1

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2022



Prof. Medwin Hughes  
Director

Company number - 06856855

The notes on page 9 - 11 form part of the financial statements

## Notes to the Financial Statements

### 1. Accounting Policies

#### 1.1 Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, University of Wales includes the Company in its consolidated financial statements. The consolidated statements are prepared in accordance with FRS102 and are available to the public and may be obtained from: The Clerk to Council, University of Wales, College Road, Carmarthen, SA31 3EP. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosure:

- Cash Flow Statement and related notes; and
- Disclosures in respect of transactions with group companies wholly under the same ownership.

As the consolidated financial statements of University of Wales include the equivalent disclosures, the Company has also taken the exemptions under FRS102 available in respect of the following disclosure:

- The disclosures required by FRS102.11 Basic Financial Instruments in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of schedule 1.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### 1.2 Non-current assets

##### Investments

Investments are carried at cost less impairment in the company's accounts

#### 1.3 Basic financial instruments

##### Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

##### Borrowings

The borrowings constitute a Public Benefit Entity concessionary loan. The borrowings are recognised initially at the amount of cash received. Subsequent to initial recognition the loan is adjusted to reflect any interest payable.

**Notes to the Financial Statements (continued)**

**1.5 Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

These forecasts are dependent on the company's ultimate parent company, the University of Wales not seeking repayment of the amounts currently due to the group, which at 31st July 2021 amounted to £2,200. The University of Wales has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors have also considered any potential impact that the Covid-19 pandemic may have on the operations of the company.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**1.6 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, management have made the following judgement:

**Non-Current assets- Investment**

The Directors have considered whether there are indicators of impairment of the company's investment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment. The directors concluded that an impairment was required in 2018-19.

**2. Operational Costs**

The Company did not employ any staff during the year. The costs of the director's time during the year were borne by the parent undertaking and are estimated to be £500.

The audit fee of £2,200 (2020: £2,000) was funded by the University of Wales.

Notes to the Financial Statements (continued)

<b>3. Non-current assets</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Investment</b>		
<b>Investment:</b>		
At beginning of year	<u>224,087</u>	<u>224,087</u>
At end of year	<u>224,087</u>	<u>224,087</u>
<b>Impairment:</b>		
At beginning of year	<u>(224,087)</u>	<u>(224,087)</u>
Additions	-	-
At end of year	<u>(224,087)</u>	<u>(224,087)</u>
	<u>-</u>	<u>-</u>

At 31 July 2021 the company held 7% (2020: 7%) share of the International University of Malaya Wales.

<b>4. Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Amount due from parent undertaking	<u>2,200</u>	<u>2,000</u>

The amounts due from the parent undertaking are non-interest bearing and are repayable on demand

<b>5. Creditors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Amount owed to parent undertaking	<u>2,200</u>	<u>2,000</u>

The amounts owed to the parent undertaking are non-interest bearing and are repayable on demand

<b>6. Called up Share Capital</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, issued and fully paid</b>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

**7. Company status**

The company is a private limited company limited by share capital.

The directors regard University of Wales, which is registered in England and Wales, as its parent undertaking and ultimate controlling party.

Advantage has been taken under FRS 102 of the exemption from disclosing related party transactions or balances with entities which form part of the University of Wales group.

**8. Related party transactions**

The company has taken advantage of the exemption under FRS 102 Section 33.1A from the requirement to disclose transactions with related parties which are wholly owned by the same group.