

# **Bath Spa U Limited**

Annual Report and Financial Statements

For the Year Ended

31 July 2017

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# Bath Spa U Limited

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# Bath Spa U Limited

## DIRECTORS' REPORT

### Introduction

The directors present their annual report together with the audited financial statements of the company and group for the year ended 31 July 2017.

The company is a wholly owned subsidiary of Bath Spa University, and is registered in the United Kingdom.

### Principal activities

The principal activity of the company in the year under review was the provision of education.

### Results for the financial year

For the year ended 31 July 2017 the company incurred a loss of £499,633 (2016: loss of £136,429). No dividend was paid during the year (2016: £nil).

### Review of business

The directors consider that the trading performance during the year was as expected.

The company reduced its share in the profits, assets and liabilities of the joint venture, Bath Spa Global LLP from 50% to 35% under a new agreement with Shorelight Inc., the joint venture partner.

The company has taken the decision to write down the value of its investment in Bath Spa Global LLP to nil, on the basis that Bath Spa Global LLP has net liabilities.

### Directors

The following directors held office during the year, and up to the date of this report, unless otherwise stated:

Professor Christina Slade (from 01 August 2016 to 15 August 2017)

Mr Neil Latham

Professor Neil Sammells

# Bath Spa U Limited

## DIRECTORS' REPORT

### **Small Company Exemptions**

The Financial Statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

### **Registered Office**

The company's registered office address is Newton Park, Newton St Loe, Bath, BA2 9BN.

# Bath Spa U Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that 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.

In so far as each of the directors is aware:

- there is no relevant audit information 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.

By order of the board,

Director



Name

NOLAN

Date

22 November 2017

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH SPA U LIMITED

We have audited the financial statements of Bath Spa U limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the consolidated and Company statement of comprehensive income and expenditure, the consolidated and Company statement of changes in reserves, the consolidated and Company balance sheets and the related 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2017 and of the group's 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. We are independent of the group and the parent 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 group's or the parent 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH SPA U LIMITED

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the director's report set out on pages 1, 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.

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BATH SPA U LIMITED

## Responsibilities of directors for the financial statements

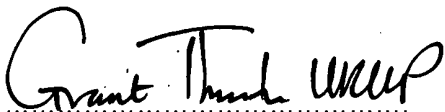
As explained more fully in the directors' responsibilities statement [set out on page ...], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary 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 group's and the parent 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 group or the parent 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.



Mark Bishop

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Bristol

Date: 21 DECEMBER 2017



**Bath Spa U Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 July 2017

	Note	Consolidated 2017 £	2016 £	Bath Spa U Limited 2017 £	2016 £
<b>Turnover on continuing operations</b>	<b>1</b>	-	-	-	-
<b>Expenditure</b>					
Staff costs	<b>3</b>	-	-	-	-
Other operating expenses		(6,469)	(4,769)	(6,469)	(4,769)
<b>Total expenditure</b>		(6,469)	(4,769)	(6,469)	(4,769)
<b>Operating loss on continuing operations</b>		(6,469)	(4,769)	(6,469)	(4,769)
Share of deficit in joint venture		(43,162)	(131,660)	-	-
Diminution in value of investment		(450,000)	-	(450,000)	-
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	(499,631)	(136,429)	(456,469)	(4,769)
Taxation		-	-	-	-
<b>Retained loss for the financial year</b>	<b>7</b>	(499,631)	(136,429)	(456,469)	(4,769)

**Statement of total recognised gains and losses**

	Note	Consolidated 2017 £	2016 £	Bath Spa U Limited 2017 £	2016 £
<b>Retained loss for the financial year</b>	<b>7</b>	(499,631)	(136,429)	(456,469)	(4,769)
Gain from revaluation of net liabilities in joint venture		216,439	-	-	-
<b>Total recognised gains and losses</b>		(283,192)	(4,769)	(6,469)	(4,769)

The notes on pages 9 to 12 form part of the financial statements.

# Bath Spa U Limited

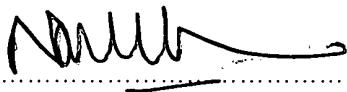
## BALANCE SHEET

at 31 July 2017

	Note	Consolidated 2017 £	2016 £	Bath Spa U Limited 2017 £	2016 £
<b>Fixed Assets</b>					
Investments		-	-	-	-
<b>Current Assets</b>					
Cash at bank and in hand		92	450,000	92	450,000
		<u>92</u>	<u>450,000</u>	<u>92</u>	<u>450,000</u>
<b>Creditors: amounts falling due within one year</b>	<b>4</b>	(39,399)	(32,838)	(39,399)	(32,838)
<b>Net current liabilities</b>		<u>(39,307)</u>	<u>417,162</u>	<u>(39,307)</u>	<u>417,162</u>
<b>Creditors: amounts falling due after more than one year</b>					
Share of net liabilities in joint venture		(530,154)	(703,431)	-	-
<b>Net Assets/(liabilities)</b>		<u>(569,461)</u>	<u>(286,269)</u>	<u>(39,307)</u>	<u>417,162</u>
<b>Capital and reserves</b>					
Called up share capital	<b>5</b>	450,001	450,001	450,001	450,001
Profit and loss account	<b>6</b>	(1,019,462)	(736,270)	(489,308)	(32,839)
<b>Equity shareholders' funds</b>	<b>7</b>	<u>(569,461)</u>	<u>(286,269)</u>	<u>(39,307)</u>	<u>417,162</u>

The Financial Statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. The notes on pages 9 to 12 form part of the financial statements.

These financial statements were approved and authorised for issue by the directors on 22 November 2017 and were signed on their behalf by:



Director - Mr Neil Latham

Company registration number: 08617213

# Bath Spa U Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2017

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### 1. Accounting policies

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

#### **Financial Reporting Standard 102 – Reduced Disclosure Exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned [FRS 102 para 33.1A].

#### **Going concern**

The company has access to further funding if required and the directors therefore consider that there is a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

#### **Basis of consolidation**

The consolidated financial statements include the company, and its 35% of the net assets / (liabilities) of Bath Spa Global LLP (50% to 31 July 2016). The consolidated financial statements include the company's share of the surplus / (deficit) of Bath Spa Global LLP.

# Bath Spa U Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2017

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### 1. Accounting policies (cont.)

#### Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### Investments

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

#### Accounting for joint operations, jointly controlled assets and jointly controlled operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Profit and Loss Account.

#### Cash and cash equivalents

Cash includes cash at bank and in hand repayable on demand.

### 2. Loss on ordinary activities before taxation

	2017 £	2016 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
- external audit	2,500	2,280
- non-audit fees	1,680	1,500
	<hr/>	<hr/>

### 3. Staff costs

The company had no employees during the year (2016: nil) other than the directors who received no remuneration (2016: £nil).

# Bath Spa U Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2017

### 4. Creditors: Amounts falling due within one year

	<b>Consolidated</b>		<b>Bath Spa U Limited</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due to parent undertaking	39,399	-	39,399	-
Accruals and deferred income	-	32,838	-	32,838
	<u>39,399</u>	<u>32,838</u>	<u>39,399</u>	<u>32,838</u>

### 5. Called up share capital

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
450,001 ordinary shares of £1	450,001	450,001
	<u>450,001</u>	<u>450,001</u>
<b>Allotted, called up and fully paid</b>		
450,001 ordinary shares of £1	450,001	450,001
	<u>450,001</u>	<u>450,001</u>

### 6. Reserves

	<b>Profit and loss account 2017 £</b>	<b>Profit and loss account 2016 £</b>
At 1 August	(736,270)	(599,841)
Loss for the year	(499,631)	(136,429)
Gain from revaluation of share of net liabilities in joint venture	216,439	-
	<u>(1,019,462)</u>	<u>(736,270)</u>
At 31 July		

# Bath Spa U Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2017

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### 7. Reconciliation of movement in shareholders' funds

	2017 £	2016 £
Opening shareholders' funds	(286,269)	(599,840)
Issue of share of capital	-	450,000
Loss for the year	(499,631)	(136,429)
Gain from revaluation of share of net liabilities in joint venture	216,439	-
	<hr/>	<hr/>
Closing shareholders' funds	(569,461)	(286,269)
	<hr/>	<hr/>

### 8. Ultimate parent undertaking

The company is a subsidiary undertaking of Bath Spa University which is incorporated under the Education Reform Act 1988. The University is the ultimate parent undertaking.