

G U HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
Year ended 31 July 2019



Registered in Scotland
Company Registration Number SC176354

GU Holdings Limited

REPORT AND FINANCIAL STATEMENTS for the year ended 31 July 2019

CONTENTS

	Page
Company Information	2
Directors' Report	3-4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6-8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Balance Sheet	11
Notes to the Financial Statements	12-15

G U Holdings Limited

COMPANY INFORMATION

Directors	Neal Juster Robert Fraser Mary Jane Brouwers Fraser McLatchie Bonnie Dean
Auditors	Ernst & Young LLP 5 George Square Glasgow G2 1DY
Bankers	HSBC Bank Plc Glasgow City Office 2 Buchanan Street Glasgow G1 3LB
Registered Office	No 11 The Square Glasgow G12 8QQ
Company Number	SC176354

G U Holdings Limited

DIRECTORS' REPORT

The directors present their report and financial statements for G U Holdings Limited (the "Company") for the year ended 31 July 2019.

RESULTS AND DIVIDENDS

The profit after tax for the year was £223,693 (2018: £1,509,426).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of a holding company and the Company holds investments derived from exploitation of intellectual property and equity in University spin out companies that engage in commercial activities.

The principal activity of its only active subsidiary, G U Heritage Retail Limited, is retail.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

For the 2018-19 financial year the Company has reported a reduction in profit for the financial year of £1,285,733 compared to the prior year.

This reduction is mainly attributable to the revaluation of its listed investments which resulted in a diminution of £247,327 for the current year, compared to the augmentation of £561,955 in the previous year. The 2018-19 financial year saw no disposals of investments.

During the year the Company became the parent of a newly incorporated entity, UOG Commercial Ltd [incorporated on 22 August 2018] of whom it is the sole shareholder, owning 100% of the share capital. It is intended that this entity will commence trading before the end of the 2019-20 financial year, with its principal activity being to provide a catering offering within newly constructed university buildings.

The Board do not expect the focus or function of G U Holdings Limited to alter in the forthcoming period. Key investments are listed in note 4 to these financial statements.

DIRECTORS

The directors during the year and at the date of this report are shown on page 2.

POST BALANCE SHEET EVENTS

There were no post balance sheet events.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each of the Directors at the time the report is approved are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all reasonable 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.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors, subject to approval by the Company's Directors.

GOING CONCERN

The Company's principal operations together with the factors likely to affect its future development and its financial position are noted above. The Company has financial resources and access to funding. Consequently, the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

G U Holdings Limited

DIRECTORS' REPORT (continued)

SPECIAL PROVISIONS RELATING TO SMALL COMPANIES

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (S.I. 2015/980) and with the Financial Reporting Standard 102 Section 1A Small Entities.

By order of the Board

A handwritten signature in black ink, appearing to read 'Bonnie Dean', written in a cursive style.

Bonnie Dean, Director
11 December 2019

Registration Number SC176354

G U Holdings Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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). 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;
- 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.

The directors follow the Corporate Governance Procedures of the University of Glasgow as detailed in the financial statements of the University. The financial statements of GU Heritage Retail Limited are also presented to the University Court of the University of Glasgow.

G U Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GU HOLDINGS LIMITED

for the year ended 31 July 2019

Opinion

We have audited the financial statements of GU Holdings Limited (the 'company') for the year ended 31 July 2019 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet 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 profit 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 annual report, 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.

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

G U Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GU HOLDINGS LIMITED

for the year ended 31 July 2019

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
- 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 directors' responsibilities statement set out on page 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

G U Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GU HOLDINGS LIMITED for the year ended 31 July 2019

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
Glasgow
Date: 12 December 2019

G U Holdings Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 July 2019

	Note	2019 £	2018 £
Administrative expenses		(13,101)	(11,682)
Other operating income		-	-
OPERATING LOSS		(13,101)	(11,682)
Gain on disposal of investments		483,567	959,153
(Loss)/gain on investments		(247,327)	561,955
Other interest receivable		554	-
PROFIT BEFORE TAXATION	2	223,693	1,509,426
Taxation on profit	3	-	-
PROFIT FOR THE FINANCIAL YEAR		223,693	1,509,426

All amounts relate to continuing activities.

The company has no recognised gains and losses other than those reported above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 12 to 15 form part of these financial statements.

G U Holdings Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 July 2019

	Share capital £	Revaluation reserve £	Profit & loss reserve £	Total £
Balance at 1 August 2017	1,400,000	921,138	293,589	2,614,727
Profit from the income statement	-	561,955	947,471	1,509,426
Gift aid distribution	-	-	-	-
New shares issued	25,000	-	-	25,000
Balance at 1 August 2018	1,425,000	1,483,093	1,241,060	4,149,153
Profit from the income statement	-	(247,327)	471,020	223,693
Gift aid distribution	-	-	-	-
New shares issued	355,000	-	-	355,000
Balance at 31 July 2019	1,780,000	1,235,766	1,712,080	4,727,846

G U Holdings Limited

BALANCE SHEET

at 31 July 2019

	Note	2019 £	2018 £
NON-CURRENT ASSETS			
Investments	4	3,092,380	3,126,390
CURRENT ASSETS			
Debtors	5	1,405,049	928,434
Cash at bank and in hand		281,190	140,821
		<u>1,686,239</u>	<u>1,069,255</u>
CREDITORS: amounts falling due within one year	6	<u>(50,773)</u>	<u>(46,492)</u>
NET CURRENT ASSETS		<u>1,635,466</u>	<u>1,022,763</u>
NET ASSETS		<u>4,727,846</u>	<u>4,149,153</u>
CAPITAL AND RESERVES			
Share capital	7	1,780,000	1,425,000
Revaluation reserve		1,235,766	1,483,093
Profit and loss reserve		1,712,080	1,241,060
EQUITY SHAREHOLDER'S FUNDS		<u>4,727,846</u>	<u>4,149,153</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (S.I. 2015/980) and with the Financial Reporting Standard 102 Section 1A Small Entities.

Approved by the Board of Directors on 11 December 2019



Bonnie Dean, Director

Company Registration Number SC176354

G U Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 July 2019

1. ACCOUNTING POLICIES

The Company's principal accounting policies are summarised below and have been applied consistently through the current year.

(a) Statement of compliance

G U Holdings Limited is a limited liability company incorporated in Scotland. The registered office is No.11, The Square, University of Glasgow, Glasgow, G12 8QQ. The financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102) 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 under the historical cost convention as modified for the valuation of listed investments and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (S.I. 2015/980) and with the Financial Reporting Standard 102 Section 1A Small Entities.

(c) Investments

Unlisted investments are stated at historical, except where it is anticipated that they will have decreased in value. Listed investments are stated at market value.

(d) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(e) Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash at bank and on hand.

(f) Short-term debtors and creditors

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

G U Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 July 2019

2. PROFIT BEFORE TAXATION

This is stated after charging:

	2019	2018
	£	£
Auditor's remuneration - audit services	1,650	1,440

The Company employed no staff during the year (2018: nil).

The Directors received no remuneration in respect of their qualifying services to the Company during the year (2018: £nil).

3. TAXATION ON PROFIT

a) Factors affecting current tax charge

The tax assessed on the profit before taxation for the year is higher from that of the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below:

	2019	2018
	£	£
Profit before taxation	223,693	1,509,426
Profit before taxation multiplied by standard rate of corporation tax of 19% (2018: 19%)	42,502	286,791
Effects of:		
- Substantial shareholder exemption	(90,928)	(60,619)
- Non-taxable income	-	(106,771)
- Taxable gain on disposal	-	-
Current tax	(48,426)	119,401
Tax losses / tax credit	48,426	(119,401)
Total tax position	-	-

b) Factors that may affect future tax charges

There are no factors which are likely to affect the future tax charges.

G U Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 July 2019

4. INVESTMENTS

	Subsidiary Companies	Listed Investments	Unlisted Investments	Total
	£	£	£	£
<i>Cost or Valuation:</i>				
At 1 August 2018	106	1,832,633	1,293,651	3,126,390
Additions	-	-	213,317	213,317
Transfers	-	2	(2)	-
Revalued in year	-	(247,327)	-	(247,327)
At 31 July 2019	<u>106</u>	<u>1,585,308</u>	<u>1,506,966</u>	<u>3,092,380</u>

The 100% owned subsidiary company, excluding dormant companies, is: GU Heritage Retail Limited

Nature of business: The Company's principal activity is retail sales of University of Glasgow branded products, other memorabilia and related items.

Class of shares:	Ordinary
Holding:	100%
Aggregate capital and reserves:	£407,869
Profit for the year:	£241,675

During the year the company saw a decrease in the value of its investments of £34k. This decrease was due to additional investment in Epidarex LLP of £213k offset by a £247k loss on revaluation of the listed investments.

In May 2016 the Company sold its 27.98% shareholding in the ordinary share capital of Gold Standard Simulations Limited, a company incorporated in the United Kingdom. G U Holdings Limited's proceeds from the sale of its shares, are being held in escrow until 10 May 2020. The company recognised proceeds of £479k in the period.

5. DEBTORS

	2019	2018
	£	£
Other debtors	1,403,354	924,783
Prepayments and accrued income	1,695	3,651
	<u>1,405,049</u>	<u>928,434</u>

6. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Accruals	<u>50,773</u>	<u>46,492</u>

G U Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 July 2019

7. SHARE CAPITAL

	2019	2018
	£	£
Allotted, called-up and fully paid:		
Equity interests: 1,780,000 ordinary shares of £1 each	<u>1,780,000</u>	<u>1,425,000</u>

On 11 February 2019 the Company issued 355,000 shares of £1 each to The University Court of the University of Glasgow

8. CAPITAL COMMITMENT

At the balance sheet date, the Company had a capital commitment payable to venture capital investment fund Epidarex Capital II, LP of £150,792 (2018: £364,093).

9. ULTIMATE PARENT UNDERTAKING

The directors consider that the University Court of the University of Glasgow, a body corporate created under the Universities (Scotland) Act 1889, is the Company's ultimate parent undertaking.

The Company has taken advantage of the exemption in FRS 102 Section 1AC.35, not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate parent undertaking. The Company has not transacted with any other related parties in the year.

Copies of the consolidated financial statements of the University of Glasgow can be obtained at the Finance Office, University of Glasgow, G12 8QQ.