

UK Centre for Ecology & Hydrology Enterprise Limited

Annual Report and Financial Statements

for the 13 month period ended

31st December 2020

Company Registration No: 12251749

UK Centre for Ecology & Hydrology Enterprise Limited

Legal & Administrative Information

Directors	Linda Anne Naylor	Chair and Non-Executive Director - Appointed 06/01/2020
	Nicholas James Wells	Managing Director - Appointed 09/10/2019
	Alan Jenkins	Executive Director - Appointed 09/10/2019
	Ian Paul Reid	Non-Executive Director - Appointed 11/01/2021
Company Secretary	Kathleen Parsons	Resigned 31/12/2020
	Samuel Bullen	Appointed 19/04/2021
Company Number	12251749	
Registered Office	Maclean Building Crowmarsh Gifford Wallingford Oxfordshire OX10 8BB	
Auditor	Crowe U.K. LLP Carrick House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ	

UK Centre for Ecology & Hydrology Enterprise Limited

Report of the Directors

The Directors present the report and financial statements for the period ended 31 December 2020.

Principal Activity

The principal activity of UK Centre for Ecology & Hydrology Enterprise is the commercialisation of UK Centre for Ecology & Hydrology (UKCEH) intellectual property via licensing and the delivery of research contracts and commercial services in support of UKCEH's ambition and charitable purpose.

UK Centre for Ecology & Hydrology Enterprise was incorporated on 9th October 2019 and started trading on 1st December 2019. These Financial Statements cover the 13 months to 31st December 2020 and are the first set prepared for UK Centre for Ecology & Hydrology Enterprise Limited.

Business Review and Outlook

During this period under review, there was a focus on consolidating existing commercialisation activities relating to provision of environmental information products. Information product sales were largely unaffected by the Covid-19 pandemic in the period under review, albeit such impacts are likely to affect the development of the commercial innovation pipeline. Nonetheless, UKCEH Enterprise will now look for new opportunities to develop its business plans to increase income and UKCEH impact, not least through research contracts and commercial services.

Statements 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK 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 of the Company and the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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.

None of the directors had any beneficial interest in the issued ordinary share capital of the Company during the year or since the year end.

Directors

Linda Anne Naylor - Chair and Non-Executive Director - Appointed 06/01/2020

Nicholas James Wells - Managing Director - Appointed 09/10/2019

Alan Jenkins - Executive Director - Appointed 09/10/2019

Ian Paul Reid - Non-Executive Director - Appointed 11/01/2021

The company is part of a group which holds Directors and Officers insurance which will indemnify the directors against claims from third parties.

Disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

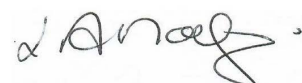
Auditor

The auditor Crowe UK LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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 9th June 2021 and signed on its behalf.



Linda Anne Naylor

UK Centre for Ecology & Hydrology Enterprise Limited

Independent Auditor's Report to the Members of UK Centre for Ecology & Hydrology Enterprise Limited

Opinion

We have audited the financial statements of UK Centre for Ecology & Hydrology Enterprise Limited for the period ended 31 December 2020 which comprise Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, including 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 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 state of the company's affairs as at the period 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 have 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 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 by the company, 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 exemption 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 2, 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.

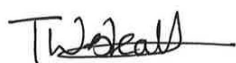
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Audit Sub-Committee about their own identification and assessment of the risks of irregularities, designing and performing audit procedures over income, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

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. 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.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham

9th June 2021

UK Centre for Ecology & Hydrology Enterprise Limited

Statement of Comprehensive Income and Retained Earnings for the 13 month period ended 31st December 2020

	Notes	£
Turnover		731,822
Cost of sales		(113,455)
Gross profit		<u>618,367</u>
Administrative expenses		(291,422)
Surplus for the year before and after tax and total comprehensive income for the period		<u><u>326,945</u></u>
Retained earning brought forward		0
Profit for the year		<u>326,945</u>
Gift aid distribution		(326,945)
Retained earnings carried forward		<u><u>0</u></u>

The notes on pages 9 to 11 form an integral part of these financial statements.

UK Centre for Ecology & Hydrology Enterprise Limited


Statement of Financial Position As at 31st December 2020

	Notes	£
Current assets		
Debtors: amounts falling due within one year	4	67,889
Cash at bank		479,539
		<u>547,428</u>
Current liabilities		
Creditors falling due in one year	5	(497,428)
		<u>50,000</u>
Net current assets		
		<u>50,000</u>
Net assets		<u><u>50,000</u></u>
Capital and Reserves		
Share Capital	6	50,000
Retained earnings		0
		<u>50,000</u>
Net capital and reserves		<u><u>50,000</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 9 to 11 form an integral part of these financial statements.

The financial statements were approved by the board and authorised for issue on 9th June 2021 and signed on its behalf by:



Linda Anne Naylor

Company registration number: 12251749

UK Centre for Ecology & Hydrology Enterprise Limited

Notes to the Financial Statements for the 13 month period ended 31st December 2020

1. Accounting Policies

a. Basis of preparation

UK Centre for Ecology & Hydrology Enterprise Limited ("the company") is a company limited by shares, domiciled and incorporated in England and Wales on 9th October 2019. The address of the Company's registered office and principal place of business is set out on page 1. The Company began trading on 1st December 2019, this is the first period of trading and as such there is no comparative information available.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view. The company forms part of a public benefit group.

The financial statements do not include a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement in accordance with Section 1A of Financial Reporting Standard FRS 102.

The principal accounting policies adopted in these financial statements, which have been consistently applied, are as follows:

b. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax.

c. Debtors

Debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

d. Trade creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

e. Gift aid and taxation

Gift aid payments are made each year to UKCEH which equal the profit before taxation, therefore there is no tax charge for the Company. No provision for corporation tax has been made on the company's profit for the year due to its policy of donating all its tax adjusted profits available for distribution under gift aid to its ultimate charitable parent undertaking within nine months of the year-end date.

f. Going concern

The Directors have reviewed whether it was still appropriate for the financial statements to be prepared on a going concern basis. No material uncertainty exists.

Given the nature of the Company and the work involved, trading has been resilient and has not suffered any adverse impact due to the global pandemic.

The Company undertakes a detailed annual business planning and budgeting exercise where income, expenditure and cashflow are forecast for the following 3 (three) years. The Directors have reviewed the going concern status of the Company and their assessment based on these forecasts is that the Company can continue as a going concern for the foreseeable future.

UK Centre for Ecology & Hydrology Enterprise Limited

Notes to the Financial Statements for the 13 month period ended 31st December 2020

2. Auditor's remuneration £

Audit-related services	2,500
	<u>2,500</u>

3. Employees

The company has no employees. All staff are employed by the parent charity. Staff costs relating to this company are recharged on an agreed basis from the parent charity.

4. Debtors £

Trade debtors	2,499
Accrued income	65,390
	<u>67,889</u>

5. Creditors £

Trade creditors	3,917
Accruals	50,531
Amounts due to parent undertaking (UK Centre for Ecology & Hydrology)	418,752
Tax creditor (VAT)	24,228
	<u>497,428</u>

UK Centre for Ecology & Hydrology Enterprise Limited

Notes to the Financial Statements for the 13 month period ended 31st December 2020

6. Share capital £

Authorised

50,000 Ordinary shares of £1 each	<u>50,000</u>
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Allotted, called up and fully paid

50,000 Ordinary shares of £1 each	<u>50,000</u>
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7. Ultimate controlling party

The ultimate holding company is UK Centre for Ecology & Hydrology, a company incorporated in England. Transactions within the group are included in the holding company's consolidated financial statements. It's registered office is Maclean Building, Crowmarsh Gifford, Oxon, OX10 8BB (company registration number 11314957).

The Company is a wholly owned subsidiary of UK Centre for Ecology & Hydrology (charity number 1185618) and has taken exemption under FRS 102 from disclosing group transactions.