

**Directors' Report and
Audited Financial Statements for the Year Ended 31 July 2019
for
UMIST Ventures Limited**

**Contents of the Financial Statements
for the Year Ended 31 July 2019**

	Page
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditors' Report	4
Statement of Comprehensive Income	6
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

**Company Information
for the Year Ended 31 July 2019**

DIRECTORS:	Mr S B Dauncey Professor L G Georghiou
REGISTERED OFFICE:	Core Technology Facility 46 Grafton Street Manchester M13 9NT
REGISTERED NUMBER:	02340559 (England and Wales)
AUDITORS:	Ernst & Young LLP, Statutory Auditor 1 Colmore Square Birmingham B4 6HQ
BANKERS:	National Westminster Bank Plc Manchester University Union Branch 323 Oxford Road Manchester Greater Manchester M13 9PS

**Directors' Report
for the Year Ended 31 July 2019**

The directors present their report with the financial statements of the company for the year ended 31 July 2019.

PRINCIPAL ACTIVITY

The company's role was to provide a CEO to The University of Manchester I3 Limited and The University of Manchester Innovation Centre Limited. Following the CEO's retirement, the intention is to wind up the company as soon as practically possible.

GOING CONCERN

The company is part of the wider University of Manchester group of companies. As there are plans to close UMIST Ventures Limited within the next twelve months and transfer the assets and liabilities within the University group, these accounts have not been prepared on a going concern basis.

REVIEW OF BUSINESS

The loss for the year is set out in the profit and loss account on page 6 of the financial statements.

The position at year end was satisfactory.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £8,687 (2018: loss £1,925).

The directors recommend a gift aid payment of £500,000 (2018: £nil)

The directors do not recommend the payment of a dividend (2018: £nil) leaving a loss of £8,687 (2018: £1,925) to be transferred from reserves.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2018 to the date of this report.

Mr S B Dauncey (The University of Manchester Nominated Representative)
Professor L G Georghiou

Other changes in directors holding office are as follows:

Mr C G Rowland - resigned 6 January 2019

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditors are unaware. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Ernst & Young LLP, have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed re-appointed as auditors in the absence of an Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Professor L G Georghiou - Director

4 December 2019

**Statement of Directors' Responsibilities
for the Year Ended 31 July 2019**

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 (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102. 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 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;
- 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 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Members of UMIST Ventures Limited

Opinion

We have audited the financial statements of UMIST Ventures Limited (the 'company') for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 12, 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 state of the company's affairs as at 31 July 2019 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.

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 Auditors' 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 basis of preparation; financial statements prepared on a

Conclusions relating to basis of preparation; financial statements prepared on a basis other than going concern

We draw attention to note 2 to the financial statements and the Director's Report which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 2. Our opinion is not modified in this respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report and the Statement of Directors' Responsibilities, but does not include the financial statements and our Auditors' 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 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 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; 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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Independent Auditors' Report to the Members of UMIST Ventures Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' 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 Auditors' 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 Clark (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

10 December 2019

**Statement of Comprehensive Income
for the Year Ended 31 July 2019**

		2019 Continuing £	2019 Discontinued £	2019 Total £
	Notes			
TURNOVER		-	-	-
Administrative expenses		<u>-</u>	<u>(8,634)</u>	<u>(8,634)</u>
OPERATING LOSS	4	-	(8,634)	(8,634)
Amounts written off investments		-	-	-
Interest payable and similar expenses		<u>-</u>	<u>(53)</u>	<u>(53)</u>
LOSS BEFORE TAXATION		-	(8,687)	(8,687)
Tax on loss	5	<u>-</u>	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>-</u>	<u>(8,687)</u>	<u>(8,687)</u>
OTHER COMPREHENSIVE INCOME				<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR				<u>(8,687)</u>

The notes form part of these financial statements

**Statement of Comprehensive Income
for the Year Ended 31 July 2019**

	Notes	2018 Continuing £	2018 Discontinued £	2018 Total £
TURNOVER		-	-	-
Administrative expenses		-	(1,202)	(1,202)
OPERATING LOSS	4	-	(1,202)	(1,202)
Amounts written off investments		-	-	-
Interest payable and similar expenses		-	(723)	(723)
LOSS BEFORE TAXATION		-	(1,925)	(1,925)
Tax on loss	5	-	-	-
LOSS FOR THE FINANCIAL YEAR		-	(1,925)	(1,925)
OTHER COMPREHENSIVE INCOME				-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR				(1,925)

The notes form part of these financial statements

Statement of Financial Position
31 July 2019

	Notes	2019 £	2018 £
CURRENT ASSETS			
Debtors	6	-	57,324
Cash in hand		<u>872,068</u>	<u>882,856</u>
		872,068	940,180
CREDITORS			
Amounts falling due within one year	7	<u>(501,441)</u>	<u>(57,990)</u>
NET CURRENT ASSETS		<u>370,627</u>	<u>882,190</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		370,627	882,190
PROVISIONS FOR LIABILITIES	8	-	(2,876)
NET ASSETS		<u>370,627</u>	<u>879,314</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Retained earnings	10	<u>370,626</u>	<u>879,313</u>
SHAREHOLDERS' FUNDS		<u>370,627</u>	<u>879,314</u>

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

The financial statements were approved by the Board of Directors on 4 December 2019 and were signed on its behalf by:

Mr S B Dauncey - Director

**Statement of Changes in Equity
for the Year Ended 31 July 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2017	1	881,238	881,239
Changes in equity			
Total comprehensive loss	-	(1,925)	(1,925)
Balance at 31 July 2018	<u>1</u>	<u>879,313</u>	<u>879,314</u>
Changes in equity			
Total comprehensive loss	-	(8,687)	(8,687)
Gift Aid	-	(500,000)	(500,000)
Balance at 31 July 2019	<u>1</u>	<u>370,626</u>	<u>370,627</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 July 2019**

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. UMIST Ventures Limited is a private company, limited by shares, incorporated in England and Wales. The registered office is c/o UMI3, CTF, 46 Grafton Street, Manchester, M13 9NT.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Significant judgements and estimates

In the process of applying these accounting policies, the company is required to make certain estimates, judgements and assumptions that management believe are reasonable based on the information available. These are reviewed on a regular basis by the management team. Significant estimates and material judgements used in the preparation of the financial statements are as follows:

Recoverability of debtors

The provision for doubtful debts is based on an estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

Pension deficit provision

The pension deficit provision includes several underlying assumptions in its calculation that are subject to uncertainty particularly due to the length of the contractual commitment. These assumptions comprise the discount rate which is based on actuarial input provided to the HE sector and estimated pay rises and growth in staff numbers.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 5.

Going concern

Due to plans to close the company as soon as practicable, these accounts have not been prepared on a going concern basis. No adjustments were necessary as a result of ceasing to apply the going concern basis.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

2. ACCOUNTING POLICIES - continued

Post retirement benefits

The company was a member of the Universities' Superannuation Scheme (USS) which is a defined benefit scheme externally funded and contracted out of the State Second Pension. The fund is valued every three years by professionally qualified independent actuaries.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme. As set out in note 8 the company ceased to be a participating employer in USS.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Related party disclosure

As the company is a wholly owned subsidiary of The University of Manchester, the company has taken advantage of the exemption contained in FRS102 section 33.1a, and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The University of Manchester, within which this company is included, can be obtained from the address given in note 12.

3. EMPLOYEES AND DIRECTORS

One of the directors was an employee of UMIST Ventures Limited up until the 6th January 2019, and was seconded to The University of Manchester I3 Limited. An appropriate element of his salary has been recharged to that company. The company incurred £5,923 (2018: £27,134) in remuneration and £1,521 (2018: £3,521) in pension cost. The other directors who held office during the year were employees of The University of Manchester and were remunerated by that entity. There were no other staff costs during the year (2018: £nil).

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2019**

4. OPERATING LOSS

The operating loss is stated after charging:

	2019	2018
£		
Fees payable to the company's auditor		
- audit of these financial statements pursuant to legislation	<u>1,423</u>	<u>1,373</u>

5. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 July 2019 nor for the year ended 31 July 2018.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Loss before tax	<u>(8,687)</u>	<u>(1,925)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(1,651)</u>	<u>(366)</u>
Effects of:		
Income not taxable for tax purposes	(546)	-
Group relief surrendered	2,197	-
Movement in deferred tax not provided	-	366
Total tax charge	<u>-</u>	<u>-</u>

The tax on profit for the year is before any tax credit arising from the gift aid payment which would be shown in reserves.

As the company is not and has never been in a tax payment position the £500k gift aid [does not generate any tax savings.]

Factors that may affect future tax charges

A deferred tax asset amounting to £148,112 (2018: £154,090) has not been recognised because in the opinion of the directors there will be no suitable taxable gains available in the foreseeable future.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Amounts owed by group undertakings	-	57,204
Other debtors	-	120
	<u>-</u>	<u>57,324</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Amounts owed to group undertakings	500,013	513
Taxation and social security	-	5,955
Accruals and deferred income	1,428	51,522
	<u>501,441</u>	<u>57,990</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

8. PROVISIONS FOR LIABILITIES

Other provisions	2019
	£
Obligation to fund deficit on USS pension	
Opening balance	2,876
Utilised during year	
Amount credited to statement of comprehensive income	(2,876)
Closing balance	-

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arose from the contractual obligation with the pension scheme to make payments in accordance with the scheme deficit recovery plan..

The University of Manchester and USS Ltd have agreed and signed a Flexible Apportionment Arrangement whereby the University takes over the responsibility for all the pension liabilities in respect of UMIST Ventures Ltd as "Replacement Employer".

UMIST Ventures Ltd has now ceased to be a member of USS, therefore no provision is required as at 31 July 2019 and thereafter, and no payment of the pension liability was triggered.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
1	Ordinary	£1	1	1

10. RESERVES

	Retained earnings £
At 1 August 2018	879,313
Deficit for the year	(8,687)
Gift Aid	(500,000)
At 31 July 2019	370,626

11. CONTINGENT LIABILITIES

The company has guaranteed the overdraft of Robertson Cooper Limited up to a maximum liability of £230,000 (2018: £230,000). The guarantee for Robertson Cooper Limited is secured by the cash balance.

12. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of The University of Manchester, a University incorporated by Royal Charter. The largest and smallest group in which the results of the company are consolidated is that headed by The University of Manchester.

The University of Manchester is the ultimate controlling party and the ultimate parent of the company.

Copies of the group financial statements can be obtained from that University's registered office, which is The University of Manchester, Oxford Road, Manchester, M13 9PL and are also available on the University's website.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.