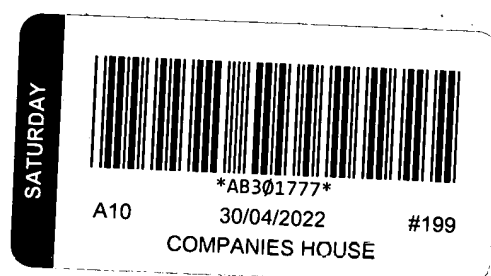


NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

(Registered Number 02464629)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021



NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

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NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

The Directors present their strategic report for the year ended 31 July 2021.

Business Review, Principal Activities and Future Developments

The activities of the Nottingham University Industrial and Commercial Enterprise Limited ("the Company") include the fostering of Technology Transfer, consultancy services, power and heating services principally to the University of Nottingham.

The Company is a wholly owned business of the University of Nottingham. In turn the Company owns subsidiary companies, details of which can be found in note 10.

Nottingham University Industrial and Commercial Enterprise Limited trades under the following business names:

Nottingham University Consultants
Nottingham University Power Management
Nottingham Technology Ventures
Zeton

Nottingham University Power Management provides energy to the University of Nottingham and its subsidiary companies and a few external customers, notably to two companies managing accommodation for University students and the Nottingham University Samworth Academy. Sales during the year amounted to £15,020,000 (2020: £13,361,000). A profit of £458,000 was generated in the year ended 31 July 2021 (2020: £449,000).

Nottingham University Consultants and Zeton group sales were £1,718,000 (2020: £1,473,000) and a profit of £15,000 (2020: £32,000) was incurred. Zeton continues to review a number of potential investments in Technology Transfer and works with developing University 'spin-out' businesses. Nottingham University Consultants facilitate consultancy services across a number of disciplines to customers worldwide.

Nottingham Technology Ventures aim is to increase the volume and value of licencing agreements. Sales in the year were £nil (2020: £nil) and a loss of £nil was incurred (2020: £nil).

Nottingham University Press provided publishing services. This division ceased to trade with effect from 30 September 2012, although some income is still received from a book distributor. Sales were £300 (2020: £1,000) a profit of £300 was earned (2020: £1,000).

At 31 July 2021 the Company had net current liabilities of £3,692,000 (2020: £2,893,000) its parent, the University of Nottingham, has confirmed that it will provide continued support via a letter of support.

Throughout the pandemic the company has experienced very little impact due to the majority of the turnover being received through sales of energy supplies. A small number of consultancy services have been delayed due to the nature of services required. It is expected that this impact will not continue as restrictions are lifted.

Future developments

No changes to the trading of the Company's divisions as detailed above are currently anticipated.

The business manages its operations on a trading division basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Results for the Year

A profit before tax of £448,000 has been earned during the year (2020: £372,000). The Directors do not recommend the payment of a dividend, but have resolved to make a payment under covenant (Gift Aid) to the University of Nottingham of £675,000 (2020: £524,000), equivalent to what would have been the taxable profits of the Company.

**NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021 - CONTINUED**

Principal Risks, Uncertainties and Opportunities

The principal risks of the Company are borne by Nottingham University Power Management and follow the trend in the overall energy market, the prime financial risk being the unit market prices. Utility supply contracts are utilised and the commercial risks and rewards of these contracts are assessed on renewal. The Company utilises the expertise of the University's Energy Management Engineer to manage the operation of this division and minimise the Company's exposure to these external factors.

The University's Environmental Strategy covers a number of key operational areas including energy and water. The University is constantly looking at smarter ways to save on consumption.

The Company's principal financial assets are bank balances, trade receivables and intercompany borrowings.

The directors believe that credit risk is low as a high proportion of the debtor balances are due from fellow group companies; in the directors' opinion, the owing companies have sufficient resources that there is minimal risk of the debtor being irrecoverable.

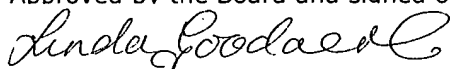
The directors also believe that liquidity risk is low due to the confirmation received from the ultimate parent company with regard to intergroup debt being made available as required.

The risk of COVID on The Company is that this could lead to reduced sales but this is not anticipated to have a significant impact.

Corporate Governance Update

The Directors recognise the importance of their environmental responsibility. Further initiatives including installation of monitoring devices and recalibration of heating controls in areas where energy consumption can be reduced are part of this environment policy.

Approved by the Board and signed on its behalf by:



Mrs L A Goodacre

Date: 21/04/2022

Director

King's Meadow Campus, Lenton Lane, Nottinghamshire, NG7 2NR

**NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED
DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 2021**

The Directors present their annual report together with the audited financial statements for the year ended 31 July 2021.

Directors

The Directors of the Company who served during the year and up to the date of this report were as follows:

Dr P M Greatrix (Resigned 04 April 2022)
Mrs M J P Monckton
Mrs H J Lawrenson (Resigned 04 April 2022)
Mrs L A Goodacre
Dr L M Carroll

The Directors did not have any disclosable interests in the shares of the company.

Future Developments

Details of future developments can be found in the Strategic Report on page 1 and form part of this report by cross-reference.

Directors' indemnities

Directors' and Officers' insurance was provided during the year for the Company directors and the directors of the other subsidiary companies by their parent the University of Nottingham, and remains in force at the date of this report.

Going Concern

The Directors believe that the Company will continue with its current business. The Company's parent company, the University of Nottingham, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period no less than twelve months from the signing of the Company's financial statements. As a result, the Directors believe that the entity will continue to be a going concern for at least the next 12 months and have adopted the going concern accounting convention. As stated on the balance sheet at 31 July 2021 the Company had net current liabilities of £4,367,000 of which £2,000,000 is an intercompany loan from the parent.

The Directors believe that the parent entity, University of Nottingham, will continue to support the company as it benefits from the company operating's and holds commercial value through its provision of energy supplies and consultancy. The parent entity has sufficient resources to support the company.

Dividends

The Directors do not recommend payment of a dividend (2020: £nil).

Directors' Responsibilities Statement

The Directors are responsible for preparing the annual 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 FRS 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 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;

**NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED
DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 2021 - CONTINUED**

Directors' Responsibilities Statement (continued)

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.

Financial risk management objectives and policies

Details of financial risk management objectives and policies can be found in the principal risks section of the Strategic Report on page 2 and form part of this report by cross-reference.

Provision of Information to Auditor

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

The auditor will be subject to appointment via a tender of services.

Approved by the Board and signed on its behalf by:



Mrs L A Goodacre
Director

Date: 21/04/2022

University of Nottingham, King's Meadow Campus, Lenton Lane, Nottingham, NG7 2NR

Independent auditor's report to the members of Nottingham University Industrial & Commercial Enterprise Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Nottingham University Industrial & Commercial Enterprise Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the balance sheet; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 directors' 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 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 contained within the annual report. 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 course of 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Expenditure recorded in the correct financial period due to the long lead time of suppliers and uncertainty in accruals. We have performed testing on invoices received following the year end and agreed accrual calculations to supporting evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

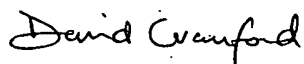
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- 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.

We have nothing to report in respect of these matters.

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.



David Crawford (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, UK
21 April 2022

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2021**

	NOTE	2021 £000	2020 £000
TURNOVER	3	16,738	15,435
COST OF SALES		(16,064)	(14,641)
GROSS PROFIT		<u>674</u>	<u>794</u>
Administrative expenses		(194)	(382)
OPERATING PROFIT	4	<u>480</u>	<u>412</u>
Net interest payable	6	(32)	(40)
PROFIT BEFORE TAXATION		<u>448</u>	<u>372</u>
Tax on profit	7	-	-
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>448</u></u>	<u><u>372</u></u>

The above results arose from continuing operations.

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021**

	NOTE	Called up share capital £000	Other distributable reserves £000	Profit and loss account £000	Total £000
At 1 August 2019		100	300	523	923
Profit for the financial year		-	-	372	372
Total comprehensive income		-	-	372	372
Gift aid	8	-	-	(524)	(524)
At 31 July 2020		100	300	371	771
Profit for the financial year		-	-	448	448
Total comprehensive income		-	-	448	448
Gift aid	8	-	-	(675)	(675)
At 31 July 2021		100	300	144	544

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

**BALANCE SHEET
AS AT 31 JULY 2021**

	NOTE	31 July 2021		31 July 2020	
		£000	£000	£000	£000
FIXED ASSETS					
Investments	9	-		-	
Tangible assets	10	<u>4,911</u>		<u>4,188</u>	
			4,911		4,188
CURRENT ASSETS					
Debtors falling due within one year	11	<u>1,447</u>		<u>1,223</u>	
Cash at bank and in hand		<u>1,026</u>		<u>414</u>	
		2,473		1,637	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	12	<u>(4,840)</u>		<u>(3,054)</u>	
NET CURRENT LIABILITIES			(2,367)		(1,417)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,544		2,772
NON-CURRENT LIABILITIES					
Creditors - amounts falling due after one year	13		(2,000)		(2,000)
NET ASSETS			544		772
CAPITAL AND RESERVES					
Called up Share Capital	15		100		100
Other Distributable Reserves	15		300		300
Profit and Loss Account	15		144		372
SHAREHOLDER'S FUNDS			544		772

The financial statements of Nottingham University Industrial and Commercial Enterprise Limited (registered number 02464629) on pages 7 to 16 were approved by the Board and authorised for issue on:

They were signed on its behalf by:



Mrs L A Goodacre, Director



Mrs M J P Monckton, Director

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES

The Directors consider that the financial statements should be prepared to reflect the Company's aims and to satisfy the different reporting needs of users. Therefore the Gift Aid donation to the University of Nottingham has been separately disclosed.

The principal accounting policies adopted in preparation of the financial statements are set out below. They have been applied consistently throughout both the current and preceding year.

(a) Basis of preparation of financial statements

Nottingham University Industrial and Commercial Enterprise Limited is a private company limited by shares registered in England and Wales, incorporated in the United Kingdom under the 2006 Companies Act. The address of the registered office is given on page 2. The nature of the group's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Nottingham University Industrial and Commercial Enterprise Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Amounts have been rounded to the nearest thousand pounds in presenting amounts in the financial statements.

Nottingham University Industrial and Commercial Enterprise Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Nottingham University Industrial and Commercial Enterprise Limited is consolidated in the financial statements of its ultimate parent the University of Nottingham, whose office is University Park, Nottingham, NG7 2RD

Exemptions have been taken in the separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, remuneration of key management personnel, and has also taken exemption from preparing group accounts under Section 400 of the Companies Act as they are consolidated in the parent.

(b) Going concern

As stated on the balance sheet at 31 July 2021 the Company had net current liabilities of £4,367k. The Directors believe that the Company will continue with its current business. The Company's parent company, the University of Nottingham, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period at least 12 months from the signing of the Company's financial statements. As a result, the Directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern accounting convention. The Directors believe that the parent entity, University of Nottingham, will continue to support the company as it benefits from the company operating's and holds commercial value through its provision of energy supplies and consultancy. The parent entity has sufficient resources to support the company.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES (continued)

(c) Financial instruments

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(d) Fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets on a straight line basis over their estimated useful lives (from date of purchase) as follows:

Equipment	15 to 100 years
Assets in the course of construction	nil

In accordance with Group accounting policies only fixed assets with a cost in excess of £30,000 are capitalised, with items of a lesser value being expensed as incurred.

(e) Investments

Fixed asset investments are shown at cost less provision for impairment. Listed investments are valued at market value.

(f) Turnover

Turnover is stated net of VAT and trade discounts. As noted in the Directors' report, the Company supplies various services. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

(g) Investment income

Investment income is credited to the Profit and Loss Account on a receivable basis.

(h) Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

1 ACCOUNTING POLICIES (continued)

(h) Taxation (continued)

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) 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, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(i) Gift aid

The Company has entered into agreement with the University of Nottingham to formalise the gift aid arrangements. Under this gift aid agreement the Company shall pay the University a sum of money equivalent to the taxable profits of the Company in each accounting period. Gift aid is therefore recognised as a liability in the financial statements and is shown as a distribution in the statement of changes in equity.

2 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

There are not considered to be any key sources of estimation uncertainty.

Critical judgements in applying the Company's accounting policies

There are no critical judgements in applying accounting policies.

3 TURNOVER

An analysis of the Company's turnover by class of business is as follows:

	2021	2020
	£000	£000
Provision of energy	15,020	13,961
Consultancy	1,718	1,473
Publishing services	0	1
	<u>16,738</u>	<u>15,435</u>

An analysis of the Company's turnover by geographical market is as follows:

	2021	2020
	£000	£000
United Kingdom	16,020	14,707
United States of America	64	74
Europe	254	133
Rest of the World	400	521
	<u>16,738</u>	<u>15,435</u>

4 OPERATING PROFIT IS STATED AFTER CHARGING:

	2021	2020
	£000	£000
Depreciation	313	273
Audit fee - audit of the company's annual financial statements	<u>20</u>	<u>12</u>

There are no fees payable to the Company's auditor in respect of non-audit fees in the current year (2020: £nil).

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

5 STAFF COSTS

There are no staff and the Directors receive no remuneration for their services to the Company. Staff costs are recharged by the company's parent, the University of Nottingham.

6 NET INTEREST PAYABLE

	2021	2020
	£000	£000
Inter-company loan interest payable	<u>32</u>	<u>40</u>

7 TAX ON PROFIT

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The tax charge comprises:

	2021	2020
	£000	£000
Current tax		
UK corporation tax at 19% (2020: 19%)	-	-
Total current tax and tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as result deferred tax balances as at 31 July 2021 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended 25% rate the impact on the closing DT position would be to increase the deferred tax asst/liability by £27k.

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as shown:

	2021	2020
	£000	£000
Profit before tax	<u>448</u>	<u>372</u>
Tax on profit at standard UK corporation tax rate of 19% (2020: 19%)	85	71
Effects of:		
Expenditure that is not deductible	-	-
Accelerated capital allowances	(16)	(6)
Gift aid to the University of Nottingham	(128)	-
Fixed asset differences	59	(100)
Chargeable gain	-	35
Income not taxable	-	-
Income adjustments	-	-
Total tax credit for the year	<u>-</u>	<u>-</u>

A deferred tax asset amounting to £275,000 (2020: £229,000) in respect of accelerated capital allowances has not been recognised because in the opinion of the Directors there is uncertainty as to its recoverability in the foreseeable future.

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 JULY 2021

8 GIFT AID

During the year the Company made a Gift Aid donation to its ultimate parent, The University of Nottingham in respect of:

	2021 £000	2020 £000
Current year	675	524
	<u>675</u>	<u>524</u>

9 FIXED ASSET INVESTMENTS

	Shares in group undertakings £000
Cost	
At 1 August 2020	1
Disposals	-
At 31 July 2021	<u>1</u>
Provisions	
At 1 August 2020 and 31 July 2021	<u>1</u>
Net Book Value	
At 31 July 2021	<u>-</u>
At 31 July 2020	<u>-</u>

The Company holds 100% of the ordinary share capital of Nottingham University Consultants Limited, Nottingham University Power Management Limited, Nottingham University Properties Limited, Nottingham University Press Limited, and Zeton Limited which are incorporated in the United Kingdom and act as agents for no reward on behalf of the Company. All of these companies were dormant in both the current and previous year.

The Company holds 100% of the ordinary share capital of East Midlands Conference Centre Limited, a company incorporated in the United Kingdom. The company provides facilities for conferences and other events and operates a hotel.

The registered office address for its subsidiary companies incorporated in the UK is the same as the Company's registered office and is disclosed on page 3.

The Company holds 100% of the ordinary share capital of Nottingham Technology Asia Limited, a company incorporated in Hong Kong, its registered office is Units A&B, 15/F., Neich Tower, 128 Gloucester Road, Wanchai, Hong Kong. The company is dormant and its cost of investment is fully provided against.

In addition, the Company holds 24% of the ordinary issued share capital of M4 Technologies Limited, whose principal activities are in research and development; the cost of this was £24 and is fully provided against. This company is incorporated in the United Kingdom.

The Company also owns 53 shares, much less than 1%, in Novacyt SA, a company listed on a French Stock Exchange.

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2021

10 TANGIBLE FIXED ASSETS

	Assets under construction £000	Equipment £000	Total £000
Cost			
At 1 August 2020	961	4,488	5,449
Additions	1,019	17	1,036
Transfers	(264)	264	-
At 31 July 2021	<u>1,716</u>	<u>4,769</u>	<u>6,485</u>
Depreciation			
At 1 August 2020	-	1,261	1,261
Depreciation	-	313	313
At 31 July 2021	<u>-</u>	<u>1,574</u>	<u>1,574</u>
Net book value			
At 31 July 2021	<u>1,716</u>	<u>3,195</u>	<u>4,911</u>
At 31 July 2020	<u>961</u>	<u>3,227</u>	<u>4,188</u>

11 DEBTORS - amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	774	553
Amounts owed by parent	301	25
Amounts owed by other group undertakings	7	180
VAT receivable	364	367
Prepayments and accrued income	1	98
	<u>1,447</u>	<u>1,223</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 CREDITORS - amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	224	198
Amounts owed to parent	2,990	1,254
Amounts owed to other group undertakings	0	2
VAT and Climate Change Levy payable	95	157
Accruals and deferred income	1,531	1,443
	<u>4,840</u>	<u>3,054</u>

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 CREDITORS - amounts falling due within after one year

	2021 £000	2020 £000
Amounts owed to parent undertaking	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

Amounts owed to parent includes a loan of £2 million (2020: £2 million) from the University of Nottingham interest of 1.5% above the Bank of England base rate is payable, it is unsecured and has no fixed date of repayment. The remainder of the amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 CAPITAL COMMITMENTS

	2021 £000	2020 £000
Commitments contracted at 31 July	-	48

15 CALLED UP SHARE CAPITAL AND RESERVES

	2021 £000	2020 £000
Allotted, called up and fully paid: 100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Company has one class of ordinary shares which carry no right to fixed income.
The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.
Other distributable reserves represent additional capital contributions made by the University of Nottingham.

NOTTINGHAM UNIVERSITY INDUSTRIAL AND COMMERCIAL ENTERPRISE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2021**

16 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions in FRS 102 Section 33 Paragraph 1a not to disclose transactions with wholly owned group companies.

There are no other Related Party Transactions.

17 ULTIMATE PARENT UNDERTAKING

The immediate, ultimate parent undertaking and controlling party is the University of Nottingham. The smallest and largest group in which the results of this Company are included is that headed by the University of Nottingham. Copies of the consolidated financial statements of the University of Nottingham can be obtained from the address disclosed in the Strategic Report on page 2.