

Registered number: 3832569

Manchester Innovation Holdings Limited

**Annual report and financial statements
for the year ended
31 July 2009**



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Company information

Directors

Professor R W Coombs
Mr I W Jackson (resigned 28 May 2009)

Secretary

Ms Y Loughlin (appointed 28 May 2009)
Mr I W Jackson (resigned 28 May 2009)

Registered Office

The Incubator Building
48 Grafton Street
Manchester
M13 9XX

Bankers

Royal Bank of Scotland plc
38 Mosley Street
Manchester
M60 2BE

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2009. The directors' report has been prepared in accordance with the special provisions relating to small companies under sections 416(3) and 417(1) of the Companies Act 2006.

Principal activities

The company acts as an intermediate holding company for its group which, in turn, provides the means for the resources, projects and expertise of The University of Manchester to be exploited commercially for the benefit of the University and provides support to biotechnology ventures. The intention is to reorganise the assets of the group companies so that there will be one trading company which will be owned directly by the ultimate parent undertaking in order to hold the assets and manage them.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. This is discussed in more detail in the accounting policies.

Business review

The results for the year are shown on page 5 of the financial statements.

The position at the year end was satisfactory.

Results and dividends

The directors do not recommend the payment of a dividend (2008: £nil).

The loss retained for the year is £170 (2008: £8,374).

Directors and directors' interests

The directors who held office during the year and thereafter were as follows:

Professor R W Coombs

Mr I W Jackson (resigned 28 May 2009)

Disclosure of information and auditors

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

- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

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

Auditors

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. A resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Ms Y Loughlin

Secretary

The Incubator Building
48 Grafton Street
Manchester
M13 9XX

Statement of directors' responsibilities

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). 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; and
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MANCHESTER INNOVATION HOLDINGS LIMITED

We have audited the financial statements of Manchester Innovation Holdings Limited for the year ended 31 July 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2009 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.

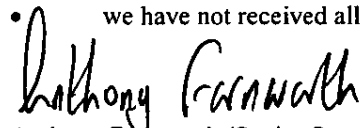
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Anthony Farnworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Manchester
United Kingdom

1/12/ 2009

Profit and loss account
for the year ended 31 July 2009

	<i>Note</i>	2009 £	2008 £
Administrative expenses		(193)	(8,606)
Operating loss		(193)	(8,606)
Interest receivable and similar income	5	23	232
Loss on ordinary activities before taxation	2	(170)	(8,374)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	11	(170)	(8,374)

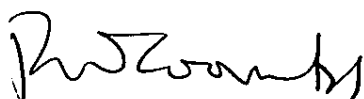
There are no recognised gains or losses for the current or previous financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been prepared.

The results above relate to continuing operations.

Balance sheet
at 31 July 2009

	<i>Note</i>	2009		2008	
		£	£	£	£
Fixed assets					
Investments	7		3,599,101		3,599,101
Current assets					
Debtors	8	852,005		853,169	
Cash at bank and in hand		4,510		2,571	
		<u>856,515</u>		<u>855,740</u>	
Creditors: amounts falling due within one year	9	<u>(193,379)</u>		<u>(192,434)</u>	
Net current assets			663,136		663,306
Net assets			<u>4,262,237</u>		<u>4,262,407</u>
Capital and reserves					
Called up share capital	10		6,143,092		6,143,092
Profit and loss account deficit	11		(1,880,855)		(1,880,685)
Shareholder's funds			<u>4,262,237</u>		<u>4,262,407</u>

These financial statements were approved by the Board of Directors on 17 September 2009 and were signed on its behalf by:



R W Coombs
Director

Reconciliation of movements in shareholder's funds
for the year ended 31 July 2009

	2009 £	2008 £
Loss for the financial year	(170)	(8,374)
Net reduction in shareholder's funds	(170)	(8,374)
Opening shareholder's funds	4,262,407	4,270,781
Closing shareholder's funds	4,262,237	4,262,407

Notes to the financial statements

1 Accounting policies

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

Basis of preparation

In carrying out their duties in respect of going concern, the directors have carried out a review of the company's financial position and cash flow forecast for a period of 12 months from the date of signing these financial statements. Following this review, including consideration of the uncertainties brought about by the current economic environment, the financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable law and United Kingdom accounting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Related Party Transactions

As the company is a wholly owned subsidiary of The University of Manchester, the company has taken advantage of the exemption contained in FRS 8 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.

Investments

Investments in subsidiary undertakings are stated at the lower of cost and net realisable value.

Taxation

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.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements *(continued)*

2 Loss on ordinary activities before taxation

	2009 £	2008 £
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration:		
- audit of these financial statements	3,260	8,000
- taxation services	700	2,000
	<u> </u>	<u> </u>

In the current year, the auditors' remuneration for the audit of the financial statements (£3,260) and for taxation services (£700) were borne by the University of Manchester and is not recharged to the company.

3 Remuneration of directors

At the year end, the Board consisted of 1 director (2008: 2). One director is employed and remunerated by The University of Manchester and no recharge is made. The other director is employed and remunerated by University of Manchester Incubator Company Limited.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was 2 (2008: 2).

5 Other interest receivable and similar income

	2009 £	2008 £
Bank interest	23	232
	<u> </u>	<u> </u>

6 Taxation

Analysis of charge in year

	2009 £	2008 £
Current tax		
UK corporation tax	-	-
	<u> </u>	<u> </u>
Total current tax	-	-
	<u> </u>	<u> </u>

Notes to the financial statements *(continued)*

6 Taxation *(continued)*

The differences between the total current tax charge and the amount calculated by applying the rate of UK corporation tax to the loss before tax are as follows:

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(170)	(8,374)
	<u> </u>	<u> </u>
Current tax at 28% (2008: 29.33%)	(48)	(2,456)
<i>Effects of:</i>		
Group relief	-	2,456
Losses carried forward	48	-
	<u> </u>	<u> </u>
Total current tax charge	<u> </u>	<u> </u>

A deferred tax asset of £92,581 (2008: £92,534) for revenue losses has not been recognised as there is insufficient evidence that the deferred tax asset will be recovered against future profits.

Factors affecting future tax charges

Management consider that there are no significant factors affecting future tax charges.

7 Fixed asset investments

	Shares in group undertakings £
Cost	
At 1 August 2008 and 31 July 2009	5,099,101
	<u> </u>
Provisions	
At 1 August 2008 and 31 July 2009	1,500,000
	<u> </u>
Net book value	
At 31 July 2009	3,599,101
	<u> </u>
At 31 July 2008	3,599,101
	<u> </u>

Details of investments of the company are as follows:

Incorporated, registered and operating in	Company	Principal activities
England and Wales	Manchester Innovation Limited	Property holding
England and Wales	Manchester Incubator Company Limited	Property management
England and Wales	Manchester Technology Developments Limited	Ceased trading

Notes to the financial statements *(continued)*

7 Fixed asset investment *(continued)*

Manchester Innovation Limited

Manchester Innovation Limited owns a building which it rents out to emerging Biotech companies.

The ordinary share capital of this company is £1,500,000. Full provision has been made against the investment in Manchester Innovation Limited in prior years.

The company has made a profit in the year of £108,390 (2008: loss of £186,261) and has net liabilities of £560,758 at 31 July 2009 (2008: £669,148).

Manchester Technology Developments Limited

The company has ceased trading.

The ordinary share capital of this company is £1.

The company has net liabilities of £802,415 at 31 July 2009 (2008: £777,445).

The Manchester Incubator Company Limited

The Manchester Incubator Company Limited owns a building which it rents out to emerging Biotech companies.

The ordinary share capital of this company is £3,599,100.

The company has made a profit in the year of £147,997 (2008: loss of £59,270) and has net assets of £1,169,207 at 31 July 2009 (2008: £1,021,210).

8 Debtors

	2009 £	2008 £
Amounts owed by group undertakings	852,005	727,005
Called-up share capital not paid	-	125,000
VAT	-	1,164
	<hr/> 852,005	<hr/> 853,169
	<hr/>	<hr/>

All debtors fall due within one year.

9 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	-	294
Amounts owed to group undertakings	189,419	182,144
Accruals and deferred income	3,960	9,996
	<hr/> 193,379	<hr/> 192,434
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

10 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
6,143,092 ordinary shares of £1 each	6,143,092	6,143,092
	<u> </u>	<u> </u>
<i>Allotted, called up and partly paid</i>		
6,143,092 ordinary shares of £1 each (98p per share paid up)	6,143,092	6,143,092
	<u> </u>	<u> </u>

11 Reserves

	Profit and loss account £
At 1 August 2008	(1,880,685)
Loss for the year	(170)
	<u> </u>
At 31 July 2009	(1,880,855)
	<u> </u>

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.

Copies of the consolidated financial statements can be obtained from that university's registered office, which is The University of Manchester, Oxford Road, Manchester, M13 9PL.