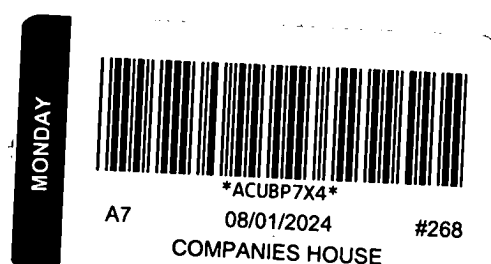


SOUTHAMPTON ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31st July 2023

Registered Number: 04367489



SOUTHAMPTON ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2023

The Directors present their annual report and the audited financial statements of the Company for the year ended 31st July 2023.

PRINCIPAL ACTIVITIES

The Company operates as a holding company for investments in new technology arising from original research work at the University of Southampton.

RESULTS

The Company's loss after tax for the year was £930,663 (2022: £3,232,521), and cumulative profit and loss account surplus was £1,959,337 (2022: £2,890,000). Retained earnings (distributable reserves) show a surplus of £964,032 (2022: £983,326 surplus). There was no gift aid distribution in the year (2022: £1,378,244 was distributed to the University of Southampton by gift aid).

The reduction in loss compared to the prior year was due to a further decrease in the share price of both its listed investments. During the year the value of its listed investments decreased by £1,215,158 (2022: decrease of £4,674,231).

During the year, there were no new investments (2022: no new investments).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

At the end of the financial year, investments were held in a number of companies as set out in note 7 to the financial statements. The Company will continue to act as an investment holding company, and seek new investments where appropriate.

There were no dividends declared in the year (2022: the Company declared a dividend in specie of £140 to the shareholder of its Ordinary B Shares).

The Company made no changes to its ownership structure in the year and remains wholly owned by the University of Southampton (2022: the Company changed its ownership structure following a buyback and subsequent cancellation of shares from its minority shareholder of its B Ordinary Shares).

The Company has considered the continued impact of cost inflation but the Company considers it will be minimally affected as its annual costs are low.

GOING CONCERN

The Company considers the going concern basis appropriate for the preparation of the financial statements as the operations of the Company are that of an intermediate holding company with minimal annual liabilities. In making this assessment, the directors have considered the period to at least 12 months from the date of these financial statements. The Company holds sufficient reserves to cover its liabilities as they fall due.

EVENTS AFTER THE BALANCE SHEET DATE

There are no events subsequent to 31st July 2023, up to the date of signing, affecting the Company's financial statements.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2023 (continued)

RISK MANAGEMENT OBJECTIVES

The company believes there is limited exposure to liquidity, cash flow, credit and price risks as the company does not actively trade and receives support from its ultimate parent, University of Southampton. Its main business risk is from a decline in the value of its investment portfolio in companies spun out of University of Southampton. The portfolio of investments in spinout companies for the group is monitored by the Southampton Enterprise Board, which comprises of the directors of the holding companies and other relevant personnel from the University of Southampton. This board is a University committee, which ultimately reports to the University Executive Board and Council on an annual basis.

DIRECTORS AND THEIR INTERESTS

The Directors who served since the start of the year to the date of signing were as follows:-

Julie M Fielder

Appointed 17th January 2023

Diana F Galpin

Sarah C Pook

Resigned 3rd January 2023

Simon M Spearing

None of the above had any beneficial interest in the shares of the Company, or other group companies.

AUDITORS

The auditors, Deloitte LLP, have indicated their willingness to continue in office and are deemed to be reappointed under the Companies Act 2006, s487.

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), 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 judgements 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.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489


DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JULY 2023 (continued)

STATEMENT OF DISCLOSURE TO AUDITOR

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

In preparing the Directors' Report, the Directors have taken advantage of the relevant exemptions available to small companies under the Companies Act 2006. The Directors have also taken advantage of the small companies' exemption from the requirement to prepare a strategic report.

This report was approved by the Board of Directors on 4th December 2023.


Juliette Baker (Dec 4, 2023 11:45 GMT)

Juliette M Baker
Company Secretary

Finance Department Building 37
University of Southampton
Southampton
Hampshire
SO17 1BJ

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Southampton Asset Management Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its loss 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 income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

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).

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.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED (continued)

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.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED (continued)

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

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework 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, 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 area, and our procedures performed to address it are described below:

- Valuation basis for unlisted investments: we have challenged whether there is sufficiently reliable evidence available to measure these investments at fair value rather than the cost less impairment model used by management by reviewing external 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 external 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 and reviewing correspondence with HMRC.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOUTHAMPTON ASSET MANAGEMENT LIMITED (continued)

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 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.

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 directors' report.

Matters on which we are required to report by exception

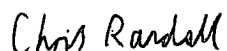
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.



Chris Randall (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, UK

Date: 4 December 2023

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

INCOME STATEMENT FOR THE YEAR ENDED 31ST JULY 2023

	Note	2023 £	2022 £
TURNOVER		-	-
Administrative expenses		(26,129)	(21,482)
OPERATING LOSS		(26,129)	(21,482)
Loss on disposal of investment		-	(1)
Impairment of investment	8	-	40
Interest receivable and similar income		6,835	602
Loss on continuing investments held at Fair Value		(1,215,158)	(4,642,105)
LOSS BEFORE TAXATION	3	(1,234,452)	(4,662,946)
Current taxation credit	6	-	261,867
Deferred taxation credit	6	303,789	1,168,558
		(930,663)	(3,232,521)

All activities of the Company are continuing operations. There are no items of other comprehensive income and therefore no such additional statement is provided.

The notes on pages 11 to 17 form part of these financial statements.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489


STATEMENT OF FINANCIAL POSITION AS AT 31ST JULY 2023

	Note	2023 £	2022 £
NON-CURRENT ASSETS			
Investments	8	1,317,865	2,533,024
CURRENT ASSETS			
Cash and cash equivalents		983,673	995,748
TOTAL CURRENT ASSETS		983,673	995,748
CURRENT LIABILITIES: Amounts falling due within one year	9	(21,108)	(13,890)
NET CURRENT ASSETS		962,565	981,858
TOTAL ASSETS LESS CURRENT LIABILITIES		2,280,430	3,514,882
PROVISIONS FOR LIABILITIES	10		
Deferred taxation		(321,093)	(624,882)
NET ASSETS		1,959,337	2,890,000
CAPITAL AND RESERVES			
Called-up share capital	11	80	80
Retained Earnings		964,032	983,326
Non-distributable reserves		995,225	1,906,594
SHAREHOLDER'S FUNDS		1,959,337	2,890,000

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 4th December 2023.

Signed on behalf of the board of directors


Julie Fielder (Dec 4, 2023 11:59 GMT)

Julie M Fielder
Director

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST JULY 2023

	Note	Called-up share capital	Retained earnings	Non- distributable reserves	Total Equity
Balance at 1st August 2021		100	2,120,684	5,380,141	7,500,925
Profit/(loss) and total comprehensive income		-	241,026	(3,473,547)	(3,232,521)
Distribution by gift aid	7	-	(1,378,244)	-	(1,378,244)
Dividends	11		(140)		(140)
Buyback of B shares from IP2IPO Ltd at par value		(20)	-	-	(20)
Balance at 31st July 2022		80	983,326	1,906,594	2,890,000
Balance at 1st August 2022		80	983,326	1,906,594	2,890,000
Loss and total comprehensive income		-	(19,294)	(911,369)	(930,663)
Balance at 31st July 2023		80	964,032	995,225	1,959,337

There were no dividends declared in the year (2022: the Company declared a dividend in specie of £140 to the shareholder of its Ordinary B Shares. The shareholder of its Ordinary A Shares waived their rights and entitlements to the dividend in specie).

During the year there were no changes to the ownership structure of the Company, which remains wholly owned by the University of Southampton (2022: the Company changed its ownership structure following a buyback and subsequent cancellation of shares from its minority shareholder of its B Ordinary Shares).

The notes on pages 11 to 17 form part of these financial statements.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023

1. STATUTORY INFORMATION

Southampton Asset Management Limited is a company registered in England and Wales, registration number 04367489. The registered office is Finance Department Building 37, University of Southampton, Southampton, Hampshire, SO17 1BJ. Southampton Asset Management Limited is a private company limited by shares.

2. ACCOUNTING POLICIES

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

(a) Critical accounting judgements

The company makes a critical judgement in applying accounting policy (d) in relation to its unquoted equity instruments. The company believes that for the majority of the unquoted equity instruments it holds that there is no active market and hence these equity instruments cannot be measured reliably. During this financial year the Company judged it was still appropriate to hold one of the unquoted equity instruments at fair value. The fair value for this unquoted equity instrument was based on the value used in that company's most recent investment round.

Our other unquoted equity instruments were reviewed on the same basis and during the year one of the companies had share transactions in the same class of share we hold at a price different to our cost price. The company has assessed whether this unquoted equity instrument should have its fair value adjusted to reflect that price, but has concluded this is not a reliable measurement as the shares were issued to existing investors and could not be relied upon as an arm's length transaction. In addition, these companies are still early stage and future profitability is still highly uncertain.

Had the most recent share issue price been used as an approximation of fair value to the unquoted equity instrument with share transactions during the period, it would have increased the value of this unquoted equity instrument from a cost of £6 to a fair value of £224,000.

A judgement was made to maintain the impaired value of one of the Company's trade investments in Karus Therapeutics Ltd following the company's decision to disband its clinical group during the prior year as a result of the impact of the ongoing pandemic.

(b) Key accounting estimates

There are no key accounting estimate in the financial statements.

(c) Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards Financial Reporting Standard 102 (FRS102) on a going concern basis and under the historical cost convention. In preparing these financial statements, the directors have taken advantage of the following disclosure exemptions available to qualifying entities;

- the exemption from presenting a statement of cash flows;
- the exemptions in relation to financial instruments disclosures; and
- the exemption in relation to disclosure of remuneration of key management personnel.

The financial statements are presented in Sterling (£).

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023 (continued)

2. ACCOUNTING POLICIES (continued)

(d) Going Concern

The Company considers the going concern basis appropriate for the preparation of the financial statements as the operations of the Company are that of an intermediate holding company with minimal annual liabilities. In making this assessment, the directors have considered the period to at least 12 months from the date of these financial statements. The Company holds sufficient reserves to cover its liabilities as they fall due.

(e) Income Recognition - Interest

Interest is credited to the Income Statement on a receivable basis.

(f) Financial Instruments - Investments

Investments comprise of investments in quoted equity instruments and unquoted equity instruments. Quoted equity instruments are measured at fair value and changes in fair value are recognised in profit or loss. One unquoted equity instrument has been measured at fair value based on the company's most recent investment round. Other unquoted equity instruments cannot be measured reliably, and are carried at cost less impairment.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash at bank.

(h) Short term current assets and liabilities

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at the transaction price.

(i) Taxation

Current tax is recognised for the amount of 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. 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023 (continued)

3. LOSS BEFORE TAXATION

	2023	2022
	£	£
The loss before taxation is stated after charging:		
Auditor's remuneration for auditing the financial statements	17,580	10,560
Changes in fair value of investments	1,215,158	4,642,105
Loss on disposal of investment	-	1

The auditors provided no other services during the financial year.

4. DIRECTORS' EMOLUMENTS

The directors of the company are employed by the University of Southampton, which pays them for services they provide to the University. The services they provide for the company are incidental to this role, and as such the remuneration receivable by the directors in respect of qualifying services to the company is nil (2022: nil).

5. EMPLOYEES

There were no employees during the year (2022: none). The University of Southampton charged £4,746 (2022: £4,375) in respect of administrative assistance provided.

The only key management personnel identified are the Directors who received no emoluments, as identified in note 4.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023 (continued)**6. TAXATION**

	2023	2022
	£	£
Current tax charge	-	-
Adjustments in respect of prior periods	-	(261,867)
Deferred tax:		
Origination and reversal of timing differences	(303,789)	(1,168,558)
Effect of changes in tax rates	-	-
Total Deferred Tax	<u>(303,789)</u>	<u>(1,168,558)</u>
Total tax per income statement	<u>(303,789)</u>	<u>(1,430,425)</u>
The charge for the year can be reconciled to the profit per the income statement as follows:		
Loss for the year	<u>(1,234,452)</u>	<u>(4,662,946)</u>
Tax on profit at standard UK tax rate of 21.01% (2022: 19.00%)	(259,303)	(885,960)
Effects of:		
Expenses not deductible	-	882,549
Chargeable losses	-	(888,104)
Group relief surrendered	4,053	3,410
Adjustments to tax charge in respect of previous periods	-	(261,867)
Impact of increase in future tax rate	(48,539)	(280,453)
Movement in deferred tax not recognised	-	-
Tax charge for the year	<u>(303,789)</u>	<u>(1,430,425)</u>
Deferred tax liabilities:		
Provision at beginning of year	624,882	1,793,440
Deferred tax charge to income statement for the year	(303,789)	(1,168,558)
Provision at end of year	<u>321,093</u>	<u>624,882</u>

Deferred tax is provided at 25%.

A change to the main UK corporation tax rate, announced in the Budget on 3rd March 2021, was substantively enacted for IFRS and UK GAAP purposes on 24th May 2021. The rate applicable from 1 April 2023 now increases to 25%, rather than the previously enacted rate of 19%.

7. GIFT AID DISTRIBUTION

	2023	2022
	£	£
Paid in year	<u>-</u>	<u>1,378,244</u>

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023 (continued)**8. NON-CURRENT ASSET INVESTMENTS**

	Listed investments £	Unquoted investments £	Total £
Carrying value before impairment			
At 1st August 2022	2,500,122	366,233	2,866,355
Additions	-	-	-
Disposals	-	-	-
 Movement in the fair value of investments	 (1,215,158)	 -	 (1,215,158)
 At 31st July 2023	 <u>1,284,964</u>	 <u>366,233</u>	 <u>1,651,197</u>
Provisions for impairment			
At 1st August 2022	-	333,332	333,332
Impairment	-	-	-
Eliminated on disposal	-	-	-
Disposals	-	-	-
 At 31st July 2023	 <u>-</u>	 <u>333,332</u>	 <u>333,332</u>
 Carrying value	 <u>1,284,964</u>	 <u>32,901</u>	 <u>1,317,865</u>

Listed investments represent investments in ordinary shares. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was £2,325,185.

Other investments represent investments in unquoted shares. Other investments are held at cost less impairment as their fair value cannot be measured reliably, with the exception of one unquoted investment which is held at a fair value of £32,189. The cost of those shares on acquisition was £63.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023 (continued)**8. NON-CURRENT ASSET INVESTMENTS (continued)**

	Proportion of voting rights and share capital held:		Financial Year End	Business
	Excluding future options	Including future options		
Quoted Investments				
Ilika plc	1.48%	1.42%	30th April	Combinatorial chemistry
Synairgen plc	1.19%	1.09%	31st December	Respiratory disorders
Unquoted Investments				
Arkivum Ltd	1.40%	1.10%	31st December	Long term data archiving
Boxarr Ltd	1.60%	1.41%	31st December	Critical path software R&D on natural science & engineering
Covesion Ltd	0.87%	0.78%	31st December	Hepatitis
iQur Ltd	2.02%	2.02%	31st March	Cancer & inflammatory disorders
Karus Therapeutics Ltd	0.38%	0.38%	31st December	Radiation detection
Symetrica Ltd	0.85%	0.79%	30th September	

All companies are incorporated in the United Kingdom.

The fixed asset investments are all held directly by Southampton Asset Management Ltd. The parent entity also holds shares in Karus Therapeutics Ltd, Symetrica Ltd, Arkivum Ltd and Boxarr Ltd.

9. CURRENT LIABILITIES - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Accruals	21,108	13,890
	<u>21,108</u>	<u>13,890</u>

10. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Deferred tax liability as at 1st August	624,882	1,793,440
Credit for the year	(303,789)	(1,168,558)
Deferred tax liability as at 31st July	<u>321,093</u>	<u>624,882</u>

The deferred tax liability arises due to the increase in the value of the listed investments above their original cost. There is no expiry date for the liability.

SOUTHAMPTON ASSET MANAGEMENT LIMITED

Registered Number: 04367489

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023 (continued)

11. CALLED-UP SHARE CAPITAL

	2023	2022
	£	£
Authorised:-		
'A' Ordinary shares of £1	800	800
'B' Ordinary shares of £1	200	200
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:-		
'A' Ordinary shares of £1	80	80
	<u>80</u>	<u>80</u>

DIVIDENDS	2023	2022
	£	£
Equity - Ordinary:		
Dividend in specie	-	140
Total dividends paid	<u>-</u>	<u>140</u>

No dividends were paid during the year (2022: the Company declared a dividend in specie to the shareholder of its Ordinary B Shares. The shareholder of its Ordinary A Shares waived their rights and entitlements to the dividend in specie).

12. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking and controlling party is the University of Southampton, a body corporate incorporated by Royal Charter in England, which is the smallest and largest group for which group financial statements are prepared. The group financial statements of the University of Southampton and its subsidiary undertakings are available to the public and may be obtained from the University of Southampton, Highfield, Southampton, SO17 1BJ, which is also the registered office for the Company.

13. CASH FLOW STATEMENT

The financial statements of the University of Southampton for the year ended 31st July 2023 contain a consolidated statement of cash flows. The Company has been given permission by its shareholders to take advantage of the exemption granted by Financial Reporting Standard 102 Section 1.12 (b) whereby it is not required to publish its own cash flow statement.

14. FINANCIAL INSTRUMENTS

The Company has taken advantage of the exemption provided by Financial Reporting Standard 102 Section 1.12 (c) in relation to specified paragraphs of Section 11 and Section 12, relating to Financial Instruments, on the basis that the equivalent disclosures required are included in the consolidated financial statements of the group.

15. RELATED PARTY TRANSACTIONS

During the year the Company was charged by its parent entity, the University of Southampton, £4,746 (2022: £4,375) in respect of administrative assistance provided.