

Directors' Report and
Audited Financial Statements for the Year Ended 31 July 2023
for
University of Manchester Innovation
Factory Limited

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for the Year Ended 31 July 2023**

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**Company Information
for the Year Ended 31 July 2023**

DIRECTORS:	Professor L G Georghiou Dr L Hakes Mrs J Kelley Mrs J N Shelton Mr S C Thorpe Mr J A Wilkinson Mrs C Prokopyszyn Professor G M Lord
SECRETARY:	Mrs J N Shelton
REGISTERED OFFICE:	Core Technology Facility 46 Grafton Street Manchester M13 9NT
REGISTERED NUMBER:	05177409 (England and Wales)
AUDITORS:	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
BANKERS:	National Westminster Bank Plc Manchester City Centre (B) Branch 19 Market Street Manchester Greater Manchester M1 1WR

**Directors' Report
for the Year Ended 31 July 2023**

The directors present their report with the audited financial statements of the company for the year ended 31 July 2023.

PRINCIPAL ACTIVITY

The principal activity of the company is to identify and assess The University of Manchester's intellectual property and select and register that intellectual property which has commercial potential and to undertake its commercialisation by licensing and/or spin-out company project management and to give advice to The University of Manchester on good practice university intellectual property policy and procedures.

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.

The company is part of the wider University of Manchester group of companies. The University of Manchester, the ultimate parent company of the group, has confirmed in writing its intention to provide ongoing support to the company for a period of at least 12 months from the date of signature of these accounts. Having considered the ability of the University of Manchester to provide that support, and based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

REVIEW OF BUSINESS

The results for the year are set out on page 7 of the financial statements.

The position at the year end was satisfactory.

PRINCIPLE RISKS AND UNCERTAINTIES

Whilst the risks to the business from COVID was not a direct factor during the year, in terms of operations, and the impact on the year end results was limited, the Directors continue to assess and take measures to address the operational impact and knock-on effects the pandemic has had on the pipeline of disclosures, which drives activity. It is deemed there is minimal risk to the business that has not been mitigated.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £41,005 (2022: profit £79,683)

The directors do not recommend a gift aid payment (2022:£nil)

The directors do not recommend the payment of a dividend (2022: £nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2022 to the date of this report.

Professor L G Georghiou (The University of Manchester Nominated Representative)

Dr L Hakes

Mrs J Kelley

Professor G M Lord (appointed 5th October 2023)

Mrs C Prokopyszyn

Professor M Schroder (resigned 5th October 2023)

Mrs J N Shelton

Mr S C Thorpe

Mr J A Wilkinson

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

**Directors' Report
for the Year Ended 31 July 2023**

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

ON BEHALF OF THE BOARD:

Mrs J N Shelton - Director

14 March 2024

**Statement of Directors' Responsibilities
for the Year Ended 31 July 2023**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent Auditors' Report to the Members of
University of Manchester Innovation
Factory Limited**

Opinion

We have audited the financial statements of University of Manchester Innovation Factory Limited (the 'company') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the director's 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Responsibilities of directors

**Independent Auditors' Report to the Members of
University of Manchester Innovation
Factory Limited**

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.

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 obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006 and relevant employee and tax legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management and review of minutes.
- We also identified the risks of material misstatement of the financial statements due to fraud. We did not consider there to be any further risks in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alastair Duke (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP
15 Westferry Circus
London
E14 4HD

26 March 2024

Statement of Comprehensive
Income
for the Year Ended 31 July 2023

	Notes	2023 £	2022 £
TURNOVER	3	5,239,212	4,570,383
Cost of sales		<u>(669,212)</u>	<u>(709,286)</u>
GROSS PROFIT		4,570,000	3,861,097
Administrative expenses		<u>(4,528,995)</u>	<u>(3,781,414)</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		41,005	79,683
Tax on profit	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		41,005	79,683
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		41,005	79,683

The notes form part of these financial statements

Statement of Financial Position
31 July 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Computer software	8	-	-
Tangible assets	9	<u>127,416</u>	<u>3,970</u>
		<u>127,416</u>	<u>3,970</u>
CURRENT ASSETS			
Debtors	10	394,050	201,924
Cash in hand		<u>1,567,862</u>	<u>1,900,239</u>
		<u>1,961,912</u>	<u>2,102,163</u>
CREDITORS			
Amounts falling due within one year	11	<u>(605,990)</u>	<u>(663,800)</u>
NET CURRENT ASSETS		<u>1,355,922</u>	<u>1,438,363</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,483,338</u>	<u>1,442,333</u>
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Retained earnings	13	<u>1,433,338</u>	<u>1,392,333</u>
SHAREHOLDERS' FUNDS		<u>1,483,338</u>	<u>1,442,333</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 14 March 2024 and were signed on its behalf by:

Mrs J N Shelton - Director

Statement of Changes in Equity
for the Year Ended 31 July 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 August 2021	50,000	1,312,650	1,362,650
Changes in equity			
Total comprehensive income	-	79,683	79,683
Balance at 31 July 2022	50,000	1,392,333	1,442,333
Changes in equity			
Total comprehensive income	-	41,005	41,005
Balance at 31 July 2023	50,000	1,433,338	1,483,338

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 July 2023**

1. STATEMENT OF COMPLIANCE

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Principal Risks and Uncertainties

Whilst the risks to the business from COVID was not a direct factor during the year, in terms of effecting operations, and the impact on the year end results was limited, the Directors continue to assess and take measures to address the operational impact and knock-on effects the pandemic has had on the pipeline of disclosures, which drives activity. It is deemed there is minimal risk to the business that has not been mitigated.

Significant judgements and estimates

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

Recoverability of debtors

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

Impairments

Management make judgements as to whether any indicators of impairment are present for any of the company's assets.

Provisions

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the estimate. To arrive at this amount management assess the likelihood and extent of any future settlement and make judgements based on these.

Taxation

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

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Turnover is recognised at the point the company has performed its obligations, based on the fair value of the right to consideration.

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. The company is part of the wider University of Manchester group of companies. The ultimate parent company of the group, has confirmed in writing its intention to provide ongoing support to the company for a period of at least 12 months from the date of signature of these accounts. Having considered the ability of the University of Manchester to provide that support, and based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Externally generated software is initially capitalised at cost. Upgrades and enhancements are capitalised only where additional functionality of capacity is provided.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software cost	- 4 years
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Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets, by equal instalments over their useful economic lives, as follows:

Computer equipment	- 4 years
Fixtures, fittings and office equipment	- 4 to 7 years

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Pension costs and other post-retirement benefits

Employment benefits

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

Post-retirement benefits

The company is a member of The University of Manchester Superannuation Scheme (UMSS). UMSS is a defined benefit scheme in the UK. Contributions to the scheme are charged to the statement of comprehensive income as though the scheme was a defined contribution scheme. This is in accordance with the accounting for multi-employer pension schemes whereby the assets and liabilities of the scheme cannot be readily split between the participating members. The liabilities of the scheme are recognised within the financial statements of the ultimate parent company, The University of Manchester.

For defined contribution schemes, the amount charged to the statement of comprehensive income is the contributions payable in the period.

Government grants

Grant funding is recognised as income upon entitlement. Income received in advance of any performance related condition being met is deferred until the performance related condition is satisfied.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

2. ACCOUNTING POLICIES - continued

Taxation

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

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

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

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

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

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

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

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

Related party disclosure

As the company is a wholly owned subsidiary of The University of Manchester, the company has taken advantage of the exemption contained in FRS102 section 33.1a, and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The University of Manchester, within which this company is included, can be obtained from the address given in note 17.

3. TURNOVER

The turnover and profit before taxation are wholly attributable to the principal activity of the company. Turnover analysed by the destination geographical market is as follows:

	2023	2022
	£	£
United Kingdom	5,169,169	4,501,000
USA	68,662	38,883
Rest of World	1,381	30,500
	<u>5,239,212</u>	<u>4,570,383</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 July 2023**

4. EMPLOYEES AND DIRECTORS

The aggregate payroll costs were as follows:

	2023	2022
	£	£
Wages and salaries	2,433,102	1,924,068
Social security costs	300,676	245,955
Other pension costs	471,471	395,782
Voluntary Severance	67,876	16,495
	<u>3,273,124</u>	<u>2,582,300</u>

The company has introduced a salary sacrifice arrangement known as Pension Choice, for employees who are members of the UMSS pension scheme. Wages and salaries for UMSS members participating in Pension Choice reflect the reduced gross pay earned by staff and the pensions costs include both the employee and employer elements of UMSS pension contributions.

The average number of the FTE persons employed by the company (including directors) during the year was as follows:

	2023	2022
	No.	No.
Technology transfer	28	28
Corporate functions	9	6
	<u>37</u>	<u>34</u>

5. DIRECTORS' EMOLUMENTS

	2023	2022
	£	£
Emoluments	334,528	326,522
Employers NI	41,642	35,885
Pension contributions	43,440	41,732
	<u>419,610</u>	<u>404,139</u>

The total number of directors serving the company during the year amounted to 8 (2022: 8). The above emoluments relate to 5 of the directors (2022: 5) one of whom is employed by the University and seconded to the company (2022: 1). 3 of the directors are employed and remunerated by The University of Manchester (2022: 3)

The remuneration of the highest paid director was as follows:

	2023	2022
	£	£
Remuneration	171,583	167,272
Pension contributions	21,819	20,924
	<u>193,402</u>	<u>188,196</u>

6. OPERATING PROFIT

	2023	2022
	£	£
Operating profit from continuing operations is stated after charging:		
Fees payable to the company's auditor		
- audit of these financial statements pursuant to legislation	9,748	7,525
Depreciation of tangible fixed assets - owned	52,110	2,300
Amortisation of intangible fixed assets	-	875
Operating lease rentals - other operating leases	<u>243,519</u>	<u>225,049</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

7. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 July 2023 nor for the year ended 31 July 2022.

Reconciliation of total tax charge included in profit and loss

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

	2023	2022
	£	£
Profit before tax	<u>41,005</u>	<u>79,683</u>
Profit multiplied by the standard rate of corporation tax in the UK of 21.005% (2022 - 19%)	8,613	15,140
Effects of:		
Expenses not deductible for tax purposes	15,423	9,184
the absence of gift aid		
Movement in deferred tax not provided	(28,608)	(3,217)
Group relief surrendered/(claimed)	-	(21,107)
to 19%		
Remeasurement of deferred tax for changes in tax rates	<u>4,572</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

A deferred tax asset amounting to £6,704 (2022: £21,904) has not been recognised because in the opinion of the directors there will be no suitable taxable gains available in the foreseeable future.

8. **INTANGIBLE FIXED ASSETS**

	Computer software
	£
COST	
At 1 August 2022	50,428
Disposals	(33,500)
At 31 July 2023	<u>16,928</u>
AMORTISATION	
At 1 August 2022	50,428
Eliminated on disposal	(33,500)
At 31 July 2023	<u>16,928</u>
NET BOOK VALUE	
At 31 July 2023	<u>-</u>
At 31 July 2022	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

9. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2022	12,988	-	88,016	101,004
Additions	6,985	137,966	-	144,951
Disposals	-	-	(10,112)	(10,112)
At 31 July 2023	<u>19,973</u>	<u>137,966</u>	<u>77,904</u>	<u>235,843</u>
DEPRECIATION				
At 1 August 2022	9,018	-	88,016	97,034
Eliminated on disposal	-	-	(10,112)	(10,112)
Impairments	1,709	19,796	-	21,505
At 31 July 2023	<u>10,727</u>	<u>19,796</u>	<u>77,904</u>	<u>108,427</u>
NET BOOK VALUE				
At 31 July 2023	<u>9,246</u>	<u>118,170</u>	<u>-</u>	<u>127,416</u>
At 31 July 2022	<u>3,970</u>	<u>-</u>	<u>-</u>	<u>3,970</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	45,166	32,494
Amounts owed by group undertakings	110,974	29,816
Other debtors	61,366	29,738
Prepayments and accrued income	<u>176,544</u>	<u>109,876</u>
	<u>394,050</u>	<u>201,924</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	76,348	133,474
Amounts owed to group undertakings	179,114	138,665
Taxation and social security	85,571	79,769
Other creditors	<u>264,957</u>	<u>311,892</u>
	<u>605,990</u>	<u>663,800</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2023 £	2022 £
Number:	Class:			
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

13. RESERVES

	£
Brought forward reserves at 1 August 2022	1,392,333
Profit for the year after tax	<u>41,005</u>
Carried forward reserves at 31 July 2023	<u>1,433,338</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

14. **EMPLOYEE BENEFIT OBLIGATIONS**

The company participated in two pension schemes in the year. Details are as follows:

The University of Manchester Superannuation Scheme (UMSS)

The company is a member of The University of Manchester Superannuation Scheme, a defined benefit scheme in the UK. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS102, the scheme is accounted for by the company as if the scheme was a defined contribution scheme, the cost recognised within the Statement of comprehensive income being equal to the contributions payable to the scheme for the period.

The benefits were restructured with effect from 1 January 2019. The final salary section (1/80th final pensionable salary and 3/80th cash) and the current Career Average Revalued Earnings (CARE) section (1/80th and 3/80th cash) were closed on 31 December 2018. All existing UMSS members now receive a defined benefit provision under a new 1/100th CARE section with effect from 1 January 2019. The scheme is closed to new joiners, who now join a new defined contribution (DC) scheme called The University of Manchester Pension Saver.

A full actuarial valuation was carried out at 31 July 2022 and this most recent full valuation showed a deficit of £76.3m. The University has agreed with the Trustee that it will eliminate the deficit over a period of 6 years to 1 November 2029 by the payment of annual contributions of £8.384m per annum, payable quarterly and increasing at a fixed rate of 3.5% each 1 August. The University has agreed to pay contributions at the rate of 24.6% of pensionable pay for CARE members who participate in PensionChoice and 18.1% of pensionable pay for those who do not. The University also agreed to pay £2.1m per annum in respect of expenses..

The valuation was updated for FRS102 purposes to 31 July 2023 by a qualified actuary. The deficit was £107.8m (2022: £83.3m) on an FRS102 basis. Further details can be found in The University of Manchester financial statements (see note 25).

The contributions made by the employer over the financial year have been £108,449 (2022: £107,053) equivalent to 19.75% of pensionable pay for members who do not participate in Pension Choice and 19.75% of pensionable pay plus the appropriate member rate for those who do. Members who do not participate in Pension Choice pay contributions at the rate of 6.50% of pensionable pay for the CARE section.

Defined contribution scheme

The contributions into the University of Manchester Pension Saver over the year have been £337,869 (2022: £278,334).

15. **OTHER FINANCIAL COMMITMENTS**

At 31 July 2023 the company was committed to making the following payments under non-cancellable operating leases.

	2023	2022
	£	£
Operating leases which expire:		
In less than one year	242,209	242,209
Between two and five years	-	242,000
	<u>242,209</u>	<u>484,209</u>

16. **ULTIMATE PARENT UNDERTAKING**

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

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

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

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