

EMINATE LIMITED

(Registered Number 05852142)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

FRIDAY



AC7QØNVU

A28

14/07/2023

#86

COMPANIES HOUSE

EMINATE LIMITED

CONTENTS

	PAGES
Strategic Report	1
Directors' Report and Responsibilities Statement	2-3
Independent Auditor's Report	4-5
Statement of Comprehensive Income and Retained Earnings	6
Statement of Financial Position	7
Notes to the Financial Statements	8-12

EMINATE LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

The Directors present their strategic report for the year ended 31 July 2022.

Business Review, Principal Activities and Future Developments

The principal activities of Eminate Limited ("the Company") were the development and exploitation of intellectual property in the areas of food and ingredients and engineering powders and coatings. One agreement remains in force and continues to provide the Company with royalty income and will continue to be the primary source of income until January 2023.

Results for the Year

The Company incurred a net loss of (£29,000) (2021 profit: £11,000) during the year, and its activities were funded by licensing revenues and through loans from its parent, the University of Nottingham.

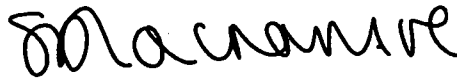
Principal Risks, Uncertainties and Opportunities

The Directors consider the principal risks and uncertainties facing the Company to be the achievement of expected levels of licensing income, and the achievement of profitability within the expected timescales. Other risks include threats to the Company's business model from direct competitors, and the adverse impact of the current economic climate on its ability to license IP and sell products or services. The Company is dependent on its funding from its parent the University of Nottingham (UoN) and as noted below confirmation of this support has been received for a further 12 months. The Company's principal financial assets are bank balances and trade receivables.

The Company's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

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

Approved by the Board and signed on its behalf by:



Ms S Blackamore

Date:

22/6/23

EMINATE LIMITED
DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

The Directors present their annual report together with the audited financial statements for the year ended 31 July 2022.

Directors

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

Prof CJ Roberts
Dr S Huxtable
Ms S Blackamore

Future Developments

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

Directors' Indemnities

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

Post Balance Sheet Events

Since the 31 July 2022 there have been no post balance sheet events.

Going Concern

The Company is funded by loans and other amounts provided by its parent company and at 31 July 2022 it had net liabilities of £3,590,000 (31 July 2021: £3,561,000). The royalties currently received by Eminate in return for the active licence through Tate and Lyle will come to an end in December this year, and there is uncertainty over alternative external income. However, the ultimate parent company, the University of Nottingham, has confirmed in writing that it will provide continued support for the Company to meet its obligations as they fall due for a period of no less than 12 months from the signing of the Company's financial statements. The letter of support from the University parent company is strengthened by Eminate's importance as a shareholder of University of Nottingham Italy S.C.A.R.L. ("UoN Italy"), which is a consortium company owned 75% by UoN and 25% by Eminate Ltd, overall 100% controlled by the UoN parent. UoN Italy was established in December 2020 with strategic goals aligned to the University's research strategy, primarily in the aeronautical, aerospace and ecologically sustainable development of the air transport system industries. This was also an important step in establishing the University's footprint in Europe, post BREXIT, and in building on links with our industrial partners at Leonardo Aircraft Division – the second largest manufacturer of aircraft in Europe – to set up a new research facility in the Campania region of Italy.

Dividends

The directors do not recommend the payment of a dividend (2021: £nil).

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

EMINATE LIMITED
DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 JULY 2022 - CONTINUED

Financial risk management objectives and policies

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. Details of financial risk management objectives and policies can be found in the principal risks section of the Strategic Report on page 1 and form part of this report by cross-reference.

Provision of information to Auditor

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

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

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

Auditor

Following a tender of services, BDO LLP have been appointed as the auditor.

Approved by the Board and signed on its behalf by:



Ms S Blackamore

Date: 22/6/23

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMINATE LIMITED

Opinion on the 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 2022 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.

We have audited the financial statements of Eminate Limited ("the Company") for the year ended 31 July 2022 which comprise the statement of income and retained earnings, the statement of financial position, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Material uncertainty relating to going concern

We draw attention to note 1 to the financial statements, which indicates that the Company is reliant on the ongoing financial support of its parent, the University of Nottingham, which is not legally binding. As disclosed in note 1, these events or conditions along with other matters as set out in note 1 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMINATE LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Statement of Directors Responsibilities, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We made enquiries of management, the Audit & Risk Committee and the Directors. This included the following:

- how they have identified, evaluated and complied with laws and regulations and whether they were aware of any instances of non-compliance;
- their process for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- which internal controls have been established to mitigate risks related to fraud or non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. The audit procedures to address the risks identified included:

- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- discussions with management and the Audit & Risk Committee, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- reviewing items included in the fraud register as well as the results of internal audit's investigations into these matters;
- challenging assumptions made by management in their significant accounting estimates;
- in addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and
- identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:

Kyla Bellingall

A11A16013DD84AC...

Kyla Bellingall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK

4 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EMINATE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 JULY 2022**

	NOTE	2022 £000	2021 £000
TURNOVER	1d	81	104
COST OF SALES		(20)	(24)
GROSS PROFIT		61	80
Administrative expenses		(35)	(25)
OPERATING PROFIT	3	26	55
Interest payable and similar expenses	5	(55)	(44)
(LOSS) / PROFIT BEFORE TAXATION		(29)	11
Tax charge for the year	6	-	-
(LOSS) / PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY BEING TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		(29)	11
RETAINED DEFICIT AT 1 AUGUST 2021		(3,561)	(3,572)
RETAINED DEFICIT AT 31 JULY 2022		(3,590)	(3,561)

The above results arose from continuing operations.

The notes on pages 8-12 form part of these accounts.

EMINATE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022**

	NOTE	2022 £000	2021 Restated £000
FIXED ASSETS			
Investments	7	2	2
CURRENT ASSETS			
Debtors	8	8	28
Cash at bank and in hand		33	13
		<u>41</u>	<u>41</u>
CURRENT LIABILITIES			
Creditors - Amounts falling due within one year	9	<u>(3,633)</u>	<u>(3,604)</u>
NET CURRENT LIABILITIES		(3,592)	(3,563)
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,590)	(3,561)
NON-CURRENT LIABILITIES			
Creditors - amounts falling due after one year	10	-	-
NET LIABILITIES		<u>(3,590)</u>	<u>(3,561)</u>
CAPITAL AND RESERVES			
Called up Share Capital	11	-	-
Retained Deficit	11	(3,590)	(3,561)
SHAREHOLDER'S DEFICIT		<u>(3,590)</u>	<u>(3,561)</u>

The financial statements of Eminate Limited (registered number 05852142) on pages 8 to 12 were approved by the Board and authorised for issue on:

They were signed on its behalf by:



Ms S Blackamore

Date:

22/6/23

Ms S Blackamore, Director

EMINATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

1 ACCOUNTING POLICIES

The Directors consider that the financial statements should be prepared to reflect the Company's aims and to satisfy the different reporting needs of users.

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

(a) Basis of preparation of financial statements

Eminate Limited is a private company limited by shares registered in England and Wales, incorporated in the United Kingdom under the 2006 Companies Act. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

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

The functional currency of Eminate Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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

Eminate Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Eminate Limited is consolidated in the financial statements of its ultimate Parent, the University of Nottingham, which may be obtained at Kings Meadow Campus, Lenton Lane, Nottingham, NG7 2NR, its registered address. Exemptions have been taken in the separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

(b) Going concern

As stated on the balance sheet at 31 July 2022 the Company had net current liabilities of £3,592,000 (2021: £3,563,000). The Directors have reviewed ongoing operations and future forecasts and believe that the Company will continue with its current business. The Company's Parent company, the University of Nottingham, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period no less than 12 months from the signing of the Company's financial statements. As a result, the Directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern accounting convention.

The Directors assessments include their consideration of the loan from the parent company and have confirmed that there are no intentions to recall the loan; an agreement to support the subsidiary exists. The Directors have confirmed the University is capable of providing this financial support but recognise that, owing to the informal (non-legally binding) nature of this support agreement and the Company's reliance on this support, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

(c) Financial instruments

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

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

All financial assets and liabilities are measured at transaction price (including transaction costs).

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

EMINATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2022**

1 ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

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

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

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

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

(d) Turnover

Turnover is stated net of VAT and relates to royalty income derived from the licence agreements in place. All turnover is derived in the United Kingdom.

Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Depending on the substance of the relevant agreements, royalty and license income is recognised either immediately or on an accrued basis if further contractual obligations exist.

(e) Cost of sales

Cost of sales includes the cost of goods sold and the directly attributable costs of licensing revenue recognised in the year.

(f) Investments

Fixed asset investments are shown at cost less provision for impairment. The Company's subsidiary companies are all dormant. Current asset investments are stated at the lower of cost and net realisable value.

(g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Deferred tax liabilities are not recognised on gift aid payments made to the Parent undertaking when qualifying conditions are met. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

EMINATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2022****1 ACCOUNTING POLICIES (continued)****(g) Taxation (continued)**

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Company's accounting policies

There are no critical judgements in applying accounting policies.

3 OPERATING PROFIT IS STATED AFTER CHARGING:

	2022	2021
	£000	£000
Audit fee - audit of the Company's financial statements	<u>5</u>	<u>4</u>

There were no fees payable to the Company's auditor for non-audit services in the current year (2021: £nil).

4 STAFF COSTS

In both the current and prior year there were no staff and the Directors did not receive remuneration for their services to the Company.

5 NET INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£000	£000
Interest payable on loan from Parent company	<u>55</u>	<u>44</u>

EMINATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JULY 2022**

6 INCOME TAX

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.

Tax expense included in profit or loss

	2022 £000	2021 £000
Current tax		
UK corporation tax at 19% (2021: 19%)	-	-
Prior year adjustment	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total current tax and tax on (loss) / profit	<u>-</u>	<u>-</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss) / profit before tax is as shown:

	2022 £000	2021 £000
(Loss) / Profit before tax	<u>(29)</u>	<u>11</u>
Tax on (loss) / profit at standard UK corporation tax rate of 19% (2021: 19%)	(7)	2
Effects of:		
Fixed asset differences	4	1
Trade gains carried forward	3	-
Trade losses brought forward	-	(3)
Total tax charge for the year	<u>-</u>	<u>-</u>

The tax charge in future periods may be affected by the capacity to surrender tax losses to other group companies.

A deferred tax asset amounting to £584,000 (2021: £582,000) in respect of carried forward trading losses and fixed asset timing differences has not been recognised because in the opinion of the directors there is uncertainty as to the recoverability of this asset against the reversal of deferred tax liabilities or other future taxable profits.

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £000
Cost	
At 31 July 2021 and 2022	<u>2</u>
Provisions	
At 31 July 2021 and 2022	<u>-</u>
Net Book Value	
At 31 July 2021 and 2022	<u>2</u>

The Company owns 100% of the ordinary share capital of University of Nottingham Italy SCARL (UoN Italy). UoN Italy is 25% owned by Eminate Limited. UoN Italy is incorporated in Italy.

EMINATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 JULY 2022

8 DEBTORS	2022 £000	2021 £000
Prepayments and accrued income	8	28
VAT receivable	-	-
All due within one year	<u>8</u>	<u>28</u>

9 CREDITORS - amounts falling due within one year	2022 £000	2021 Restated £000
Amounts owed to Parent undertaking	3,605	3,580
Amounts owed to other Group undertaking	21	6
VAT payable	1	-
Accruals and deferred income	6	18
	<u>3,633</u>	<u>3,604</u>

Amounts owed to parent includes a loan of £2.75 million (2021: £2.75 million) from the University of Nottingham, on which interest of 1.5% above the Bank of England base rate is payable, it is unsecured and has no fixed date of repayment. The remainder of the amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Amounts owed to parent as at 31 July 2021 have been restated to correct two classification errors:

- The prior year financial statements showed £36,000 owed to parent falling due within one year, but this included £6,000 owed to other Group companies. To correct this, amounts owed to parent undertaking have been decreased by £6,000 and amounts owed to other Group undertakings have been increased by £6,000 from the amounts previously stated.

- The prior year financial statements showed £3,551,000 owed to parent falling due after one year, but this amount was repayable on demand and should have been shown as falling due within one year. Amounts falling due within one year as at 31 July 2021 have been increased by £3,551,000 from the amount previously stated, with amounts falling due after one year reduced by the same amount. Creditors falling due within one year and net current liabilities as at 31 July 2021 on the balance sheet have been restated accordingly.

There is no impact on net liabilities or the shareholder's deficit.

10 CREDITORS - amounts falling due after one year	2022 £000	2021 Restated £000
Loan from Parent company	0	0
	<u>0</u>	<u>0</u>

11 CALLED UP SHARE CAPITAL AND RESERVES	2022 £	2021 £
Allotted, called up and fully paid: 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

12 RELATED PARTY TRANSACTIONS

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

There are no other Related Party Transactions.

13 ULTIMATE CONTROLLING PARTY

The immediate, ultimate Parent undertaking and controlling party is the University of Nottingham, University Park, Nottingham, NG7 2RD.

The smallest and largest group in which the results of this Company are included is that headed by the University of Nottingham. Copies of the consolidated financial statements of the University of Nottingham can be obtained from the address disclosed in note 1(a) above.