

Manchester Academic Health Science
Centre (MAHSC)

Company Limited by Guarantee

FINANCIAL STATEMENTS

for the year ended

31 July 2014

SATURDAY



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COMPANIES HOUSE

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Note: The MAHSC Members Agreement identifies Governors not Directors

Sir Howard Bernstein (Non Executive Chair)
Mr Mike Deegan (CMFT)
Mr Peter Mount (CMFT)
Lord Keith Bradley (Christie - resigned 17 March 2014)
Mrs Caroline Shaw (Christie)
Mrs Wyn Dignan (MHSC)
Ms Michelle Moran (MHSC)
Mr Alan Campbell (SCCG)
Dr Hamish Stedman (SCCG)
Mr David Dalton (SRFT)
Mr Jim Potter (SRFT)
Ms Felicity Goodey (UHSM)
Dr Atilla Vegh (UHSM - appointed 3 October 2013)
Professor Martin Humphries (UoM)
Professor Dame Nancy Rothwell (UoM)
Professor Alistair Burns (MAHSC Clinical Director)
Professor Ian Jacobs (MAHSC Director)
Dr Linda Magee (MAHSC COO until 30 September 2013, Business Development Director from 1 October 2013)
Mr Peter Noble (MAHSC COO from 3 October 2013)

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

BANKERS

Barclays Bank plc
PO Box 357
51 Mosley Street
Manchester
M60 2AU

REGISTERED OFFICE

Core Technology Building
46, Grafton Street
Manchester
M13 9NT

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

DIRECTORS' REPORT

The directors submit their report and financial statements of Manchester Academic Health Science Centre (MAHSC) for the year ended 31 July 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the promotion and development of infrastructure in support of research, education, healthcare and knowledge transfer to meet the objectives of the MAHSC 5 year re-designation plan (2014-2019), which was submitted and endorsed by the National Institute of Health Research in January 2014. This has included both formal requirements i.e. the completion of the 5-year Members and Funding Agreement and the implementation of operational plans to meet short, medium and long-term term objectives.

REVIEW OF ACTIVITIES

During the year MAHSC has significantly strengthened its position both locally and globally as an Academic Health Science Centre (AHSC). Through a national competitive process MAHSC was re-designated by the National Institute of Health Research for a period of 5 years from April 2014 and is the only AHSC in the North of England. Its success is based on the quality of leadership, its improving trajectory across a number of performance indicators and the level of engagement it has secured across the city and region. Following a review of governance led by Carnall/Farrar it has instigated a stronger performance review process, supported by Annual Review, which has informed the allocation of budgets. A detailed work programme has been instigated with greater clarity of accountability and responsibility for the specific elements of the work programme. As an emerging biomedical hub that has global significance, MAHSC is actively tackling the challenges raised by the International Re-designation Panel, particularly on how it reaches out to its patients and populations and how it is developing stronger alliances with industry. Such an approach has brought together MAHSC and the Association of Greater Manchester Authorities to provide a powerful force in tackling health inequalities and supporting economic development. As a Company Limited by Guarantee, MAHSC has strengthened its level and quality of financial support and reporting which has improved the effectiveness of the Board.

DIRECTORS

The directors who served the company during the period were as follows:

Sir Howard Bernstein (Non Executive Chair)
Mr Mike Deegan (CMFT)
Mr Peter Mount (CMFT)
Lord Keith Bradley (Christie - resigned 17 March 2014)
Mrs Caroline Shaw (Christie)
Mrs Wyn Dignan (MHSC)
Ms Michelle Moran (MHSC)
Mr Alan Campbell (SCCG)
Dr Hamish Stedman (SCCG)
Mr David Dalton (SRFT)
Mr Jim Potter (SRFT)
Ms Felicity Goodey (UHSM)
Mr Julian Hartley (UHSM - resigned 13 October 2013)
Ms Karen James (UHSM - resigned 9 September 2013)
Dr Atilla Vegh (UHSM - appointed 3 October 2013)
Professor Martin Humphries (UoM)
Professor Dame Nancy Rothwell (UoM)
Professor Alistair Burns (MAHSC Clinical Director)
Professor Ian Jacobs (MAHSC Director)
Dr Linda Magee (MAHSC COO to 30 September 2013, Business Development Director from 1 October 2013)
Mr Peter Noble (MAHSC COO from 3 October 2013)

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

DIRECTORS' REPORT

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

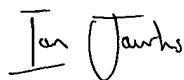
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Professor Ian Jacobs
Director

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MANCHESTER ACADEMIC HEALTH SCIENCE CENTRE (MAHSC)

We have audited the financial statements on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- 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 exemption in preparing the directors' report

Baker Tilly UK Audit LLP

Dale Thorpe BSc FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester M3 3HF

12 December 2014

Manchester Academic Health Science Centre (MAHSC)
Company Limited by Guarantee
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2014

		Year ended 31 Jul 14	Year ended 31 Jul 13
	<i>Notes</i>	£	£
INCOME		2,079,769	647,900
Project Costs		(1,171,856)	(64,218)
Administrative expenses		(796,854)	(706,615)
OPERATING SURPLUS/(DEFICIT)		110,059	(122,933)
Interest receivable		7,779	2,729
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		118,838	(120,204)
Taxation		-	-
NET SURPLUS/(DEFICIT) FOR THE FINANCIAL PERIOD	6	<u>118,838</u>	<u>(120,204)</u>

The surplus/(deficit) for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure Account.

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

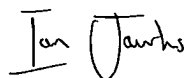
BALANCE SHEET

As at 31 July 2014

	Notes	31 Jul 14 £	31 Jul 13 £
CURRENT ASSETS			
Cash at bank and in hand		503,075	179,691
Prepayments and accrued income		44,869	79,616
		<u>547,944</u>	<u>259,307</u>
CREDITORS			
Amounts falling due within one year	2	<u>332,094</u>	<u>162,275</u>
NET CURRENT ASSETS		<u>215,870</u>	<u>97,032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>215,870</u>	<u>97,032</u>
RESERVES			
Income and expenditure account	6	<u>215,870</u>	<u>97,032</u>
MEMBERS' FUNDS		<u>215,870</u>	<u>97,032</u>

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

The financial statements on pages 6 to 10 were approved by the board of directors and authorised for issue on 19 November 2014 and are signed on their behalf by:



Professor Ian Jacobs
Director

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

GOING CONCERN

The Company's activities are set out in the Directors' Report. A Funding Agreement for the period August 2013 to July 2018 has been agreed which commits the MAHSC members to increased contributions of between £286,000 and £326,000 per annum.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

INCOME

Income is recognised in the income and expenditure account when the company is entitled to the income and the amount can be quantified with reasonable accuracy. Sponsorship monies are recognised in line with the funding agreement.

PROJECT COSTS

Project costs are direct costs associated with the operational costs of the projects delivering the priorities of the MAHSC strategy.

FORM OF ACCOUNTS

In view of the nature of the Company's activities, the headings in the Companies Act 2006 Part 15 are prescribed to be inappropriate, and a summary income and expenditure account is presented in place of the prescribed profit and loss account. The directors have taken advantage of paragraph 396 of Part 15 to the Companies Act 2006 which allows the preparation of accounts to be adapted to reflect the special nature of the Company's activities.

TAXATION

The Company has obtained clearance from HMRC that the annual payments received by MAHSC from the members should not be subject to corporation tax, on the grounds that there is to be no trading activity. This is on the basis that any surplus arising in the business is to be rolled forward to defray later costs and is therefore not the generation of profits. Consequently, no corporation tax has been provided in these accounts.

Manchester Academic Health Science Centre (MAHSC)

Company Limited by Guarantee

MANAGEMENT INFORMATION

for the year ended 31 July 2014

1 OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 31 Jul 14	Year ended 31 Jul 13
	£	£
Auditor's fees	<u>5,250</u>	<u>4,750</u>

2 CREDITORS: Amounts falling due within one year

	31 Jul 14	31 Jul 13
	£	£
Trade creditors	156,611	115,621
Accruals and deferred income	<u>175,463</u>	<u>46,654</u>
	<u>332,074</u>	<u>162,275</u>

3 RELATED PARTY TRANSACTIONS

The company is funded by subscriptions from the 7 members. Each of the members has appointed two Governors to serve on the board of the company. Transactions and balances with each of the members are summarised below:

Related party	Income Year ended 31 Jul 14	Expenditure Year ended 31 July 14	Debtor balance at 31 Jul 14	Creditor balance at 31 July 14
	£	£	£	£
The Christie NHS Foundation Trust	286,000	(200,441)	-	-
Manchester Mental Health & Social Care Trust	270,000	(129,300)	-	-
NHS Salford Clinical Commissioning Group	286,000	-	-	-
Salford Royal NHS Foundation Trust	286,000	(129,300)	-	-
University of Manchester	335,900	(794,163)	-	(156,611)
University Hospital of South Manchester NHS Foundation Trust	304,810	(114,432)	17,730	-
Central Manchester University Hospitals NHS Foundation Trust	304,810	(296,272)	17,730	(129,300)

Related party	Income Year ended 31 Jul 13	Expenditure Year ended 31 July 13	Debtor balance at 31 Jul 13	Creditor balance at 31 July 13
	£	£	£	£
The Christie NHS Foundation Trust	80,000	-	-	-
Manchester Mental Health & Social Care Trust	80,000	-	-	-
NHS Salford Clinical Commissioning Group	80,000	-	-	-
Salford Royal NHS Foundation Trust	80,000	(323,660)	-	-
University of Manchester	167,900	-	65,300	(115,621)
University Hospital of South Manchester NHS Foundation Trust	80,000	-	-	-
Central Manchester University Hospitals NHS Foundation Trust	80,000	-	-	-

Manchester Academic Health Science Centre (MAHSC)
Company Limited by Guarantee
MANAGEMENT INFORMATION
for the year ended 31 July 2014

4 DIRECTORS REMUNERATION

	2014 £	2013 £
Directors' remuneration	212,899	177,314

The emoluments of the highest paid director were £127,206 (2013:£117,836)

None of the directors accrued benefits under any Company Pension Scheme.

5 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and the liability of its member to contribute to any deficiency of assets is £1. The member has no rights to the income or assets of the company.

6 INCOME AND EXPENDITURE ACCOUNT

	Year ended 31 Jul 14 £	Year ended 31 Jul 13 £
At 1 August 2013	97,032	217,236
Surplus/(Deficit) for the financial period	118,838	(120,204)
At 31 July 2014	<u>215,870</u>	<u>97,032</u>

7 RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	Year ended 31 Jul 14 £	Year ended 31 Jul 13 £
Surplus/(Deficit) for the financial period	118,838	(120,204)
Increase/(Decrease) in members' funds	118,838	(120,204)
Opening members' funds	97,032	217,236
Closing members' funds	<u>215,870</u>	<u>97,032</u>