

European Union
European Regional
Development Fund



SENSORCITY

Making the future happen

Sensor City Liverpool Limited

Annual report and financial
statements

Registered number 9278198

31 July 2023

WEDNESDAY



ACVE2SYI

A20

24/01/2024

#196

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the annual report and the financial statements	3
Independent auditor's report to the members of Sensor City Liverpool Limited	4
Profit and Loss Account and Other Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Cashflow Statement	12
Notes	13

Director's Report

The Directors submit their report together with the financial statements for the year ended 31 July 2023.

Principal Activity and Review of Business

Sensor City Liverpool Limited is a company limited by guarantee and has no share capital. Members have guaranteed the liabilities of the company to the extent of £1 each.

The principal objective of the company is to manage and operate a sensor technology innovation Centre at the gateway of Liverpool's Knowledge Quarter. The objective is to drive economic growth through open innovation and knowledge transfer. Sensor City has been awarded University Enterprise Zone (UEZ) status – which requires universities and business to work together to increase local growth and innovation.

The company is regulated by its Memorandum and Articles of Association, which, inter alia, provide that it be governed by a board of Directors, comprising a minimum of 6 Directors made up of an even number of Liverpool John Moores University and University of Liverpool Directors.

At the current time after a period of activity and success in driving business activity in the focused ecosystem of sensors and sensor technology, the facility has remained closed post pandemic as we seek to complete a change of membership process with Sciontec that will facilitate business growth. The brand awareness of Sensor City remains strong and underpins forward thinking plans for development of the building and business activity associated with it.

The result for the year ended 31 July 2023 was a loss of £50,311 (2022 £52,147 profit).

Future Strategy for the Company

Through the process of change of membership, being completed by UoL/LJMU with Sciontec, we seek progress towards previously stated objectives.

1. Growth of the Sensor City Brand
2. Further enable industry and academic partnerships in a range of sectors to develop innovative sensor and IoT concepts with commercial potential.
3. Promote knowledge transfer from basic and applied research opportunities into business application.

Directors

None of the directors had any beneficial interest in the company during the years ended 31 July 2023 and 2022, and no director had any material interest in any contract with the company.

Directors' Report (continued)

The directors who held office during the year and to date of approval of financial statements were as follows:

Nicola Davies
Anthony Hollander
Wiebe Van Der Hoek
Keith George
Hannah Pack
Michael Riley

Taxation Status

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988 as amended by the Finance Act 1989.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

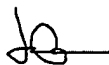
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



Professor Keith George
Director
Exchange Station
Tithebarn Street
Liverpool
L2 2QP

Date: 16 November 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

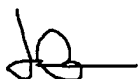
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required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

- select suitable accounting policies and then apply them consistently.
- make judgements and 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.
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

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.

By order of the board



Professor Keith George
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSOR CITY LIVERPOOL LIMITED

Opinion

We have audited the financial statements of Sensor City Liverpool Limited ("the company") for the year ended 31 July 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement and related notes, including the accounting policies in note 1.

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 loss for the year then ended.
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSOR CITY
LIVERPOOL LIMITED (continued)**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect.

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited opportunity or incentive for management to fraudulently recognise revenue due to the nature and scope of the Company's activities.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by infrequent users and those posted to seldom used or unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSOR CITY
LIVERPOOL LIMITED (continued)**

considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance allow could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report.
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSOR CITY
LIVERPOOL LIMITED (continued)**

Matters on which we are required to report by exception.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

Under the Companies Act 2006 we are required 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities.

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.

Sensor City Liverpool Limited
Registered number 9278198
31 July 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSOR CITY
LIVERPOOL LIMITED (continued)**

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.



Debra Chamberlain (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

22 January 2024

**Profit and Loss Account and Other Comprehensive Income
for the year ended 31st July 2023**

	Note	2023 £	2022 £
Turnover	2	-	2,022
Cost of Sales		-	(41,345)
Gross loss		-	(39,323)
Other operating expenses	4	(258,623)	(367,185)
Other income	3	203,777	472,355
(Loss)/profit before interest, taxation, and depreciation		(54,846)	65,847
Depreciation	9	(8,600)	(13,729)
Operating (loss)/profit		(63,446)	52,118
Interest receivable		935	29
(Loss)/profit before taxation		(62,511)	52,147
Tax on profit		-	-
(Loss)/profit after taxation		(62,511)	52,147
Other comprehensive income			
Revaluation of fixed assets	9	12,200	-
Total comprehensive (loss)/profit for the year		(50,311)	52,147

The accompanying notes form part of the financial statements.

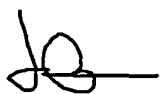
Balance Sheet at 31st July 2023

	Note	2023 £	2022 £
Non-Current Assets			
Tangible assets	9	425,000	421,400
Current assets			
Debtors amounts due within one year	10	16,540	20,401
Debtors amounts due after one year	10	280,000	282,400
Cash at bank and in hand		62,636	126,516
		359,176	429,317
Creditors: amounts falling due within one year	11	(120,855)	(137,085)
		238,321	292,232
Net current assets			
Net Assets		663,321	713,632
Capital and reserves			
Reserves	13	663,321	713,632
Shareholders' funds		663,321	713,632

The accompanying notes form part of the financial statements.

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

These financial statements were approved by the directors on 16 November 2023 and were signed on its behalf by:



Professor Keith George
Chairman of the Board of Directors
Company registered number: 9278198

Statement of Changes in Equity

	Called up Share capital	Profit and Loss account	Total equity
	£	£	£
Balance at 1 August 2022	-	713,632	713,632
Total comprehensive income for the period			
Loss for the year	-	(50,311)	(50,311)
Total comprehensive loss for the period	-	(50,311)	(50,311)
Balance at 31 July 2023	-	663,321	663,321

The accompanying notes form part of the financial statements.

Cashflow Statement

	2023	2022
Cash flow from operating activities		
(Loss)/profit for the year	(50,311)	52,147
Adjustment for non-cash items		
Depreciation	8,600	13,729
(Revaluation)/Impairment of fixed assets	(12,200)	-
Decrease in debtors	6,261	9,763
(Decrease)/Increase in creditors	(16,230)	18,267
Net cash (outflow)/inflow from operating activities	<u>(63,880)</u>	<u>93,906</u>
Cash flows from investing activities		
Payments made to acquire fixed assets	-	-
(Decrease)/Increase in cash and cash equivalents in the year	<u>(63,880)</u>	<u>93,906</u>
Cash and cash equivalents at beginning of the year	<u>126,516</u>	<u>32,610</u>
Cash and cash equivalents at end of the year	<u>62,636</u>	<u>126,516</u>

The accompanying notes form part of the financial statements.

Notes (continued)

Notes (forming part of the financial statements)

1 Accounting policies

Sensor City Liverpool Limited (the "Company") is a company limited by guarantee and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400/s401/s402 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company's parent undertakings, Liverpool John Moores University and University of Liverpool include the Company in their consolidated financial statements. The consolidated financial statements of Liverpool John Moores University and University of Liverpool are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from:

Financial Information | Liverpool John Moores University (ljmu.ac.uk)
https://www.liverpool.ac.uk/finance/financial_statements

The accounting policies set out in this note have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements through funding from its joint venture partners.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in reasonably possible downsides, the company will require additional funds, through funding from its joint venture partners, Liverpool John Moores University and University of Liverpool, to meet its liabilities as they fall due during the 12 month period ending 31 January 2025, the going concern assessment period.

Notes *(continued)*

1 Accounting policies *(continued)*

Liverpool John Moores University and University of Liverpool have indicated their intention to continue to make available such funds as are needed by the company, and that Liverpool John Moores University does not intend to seek repayment of the amounts currently due to the group, which at 31 July 2023 amounted to £80,634, during the going concern assessment period. As

with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. After initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.4 Tangible fixed assets

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. The company has a policy of ensuring a full revaluation takes place at regular intervals such that the market value is not materially different to the current value. A full valuation has been undertaken as at 31 July 2023. Depreciation and impairment losses are subsequently charged on the revalued amount.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the company.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Notes *(continued)*

1.4 Tangible fixed assets *(continued)*

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. A full year of depreciation is charged in the year of addition and disposal. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- buildings 50 years
- plant and equipment 4 years
- fixtures and fittings 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Turnover

Turnover represents the value of services provided during the accounting period, exclusive of Value Added Tax. Turnover arises wholly in the UK and is recognised over the life of the contracts entered into by the Company.

1.6 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Notes (continued)
1.6 Expenses (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and bank charges.

Other interest receivable and similar income include interest receivable from holding company on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.8 Government Grants

Grants from government sources are recognised in the income and expenditure account when the company is entitled to the income and performance related conditions have been met. Income received in advance of performance conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

1.9 Non-Government Grants

Grants from non-government sources are recognised in the income and expenditure account when the company is entitled to the income and performance related conditions have been met. Income received in advance of performance conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

1.10 Critical Accounting estimates and judgements

The preparation of the company's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Notes (continued)

2 Turnover

	2023	2022
	£	£
Rendering of services	-	2,022

3 Other Income

	2022	2022
	£	£
5G Testbed	-	2,168
Job retention scheme grant	-	9,187
Reactive Too	3,777	-
Santander Universities Funding	-	1,000
Grants from members	200,000	460,000
	<u>203,777</u>	<u>472,355</u>

4 Expenses and auditor's remuneration

Operating loss is stated after charging:

	2023	2022
	£	£
Audit of these financial statements	10,850	10,000
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	3,445	3,445
(Revaluation)/Impairment of fixed assets	(12,200)	-
Operating lease	2,400	2,400

5 Directors

None of the directors have received any emoluments during the year for services to the company.

During the period there were no out of pocket expenses reimbursed to the directors.

6 Average employee numbers

The company had nil employees on a full-time equivalent basis during the year ended 31st July 2023 (2022: nil).

Notes (continued)

7 Key management personnel

Key management personnel have been identified as the Board. None of the members of the board received any remuneration during the year for services rendered to the company.

8 Taxation

The taxation charge for the year is £Nil (2022 £Nil).

Factors affecting the tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the United Kingdom of 19% (2022 19 %). The differences are explained as follows:

	2023	2022
	£	£
(Loss)/profit on ordinary activities before tax	(62,511)	52,147
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% and 25% (2022 19%)	(13,127)	9,908
Effects of:		
Expenses not deductible for tax purposes	2,856	3,369
Loss available to carry forward	10,271	-
Set against loss brought forward	-	(13,277)
	-	-

Notes (continued)

9 Tangible Fixed Assets

Cost	Buildings	Equip't	FFE	Total
At 1st August 2022	430,000	970,376	260,154	1,660,530
Revaluation	(5,000)	-	-	(5,000)
At 31st July 2023	425,000	970,376	260,154	1,655,530
Depreciation				
At 1st August 2022	8,600	970,376	260,154	1,239,130
Charge for the year	8,600	-	-	8,600
Revaluation	(17,200)	-	-	(17,200)
At 31st July 2023	-	970,376	260,154	1,230,530
Net book value				
At 31 July 2023	425,000	-	-	425,000
At 31 July 2022	421,400	-	-	421,400

An external valuation of the Sensor City building obtained by management as at 31 July 2023 reported the value of the building as £0.425m (2022 £0.430m) based on fair value in accordance with FRS102.

This valuation indicates that the recoverable amount is greater than the carrying value held in these financial statements resulting in a £0.012m (2022 £nil) charge to other comprehensive income.

The valuation was carried out by RICS qualified valuer's CBRE Ltd.

10 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	-	2,922
Tax Debtor	6,642	13,836
Prepayments and accrued income	9,898	3,643
	<u>16,540</u>	<u>20,401</u>
Amounts falling due after one year:		
Prepayments	<u>280,000</u>	<u>282,400</u>

Included in prepayments is a £0.3m leasehold interest in land owned by Liverpool John Moores University, with the related lease terms expiring in 2141. This lease has been prepaid in full.

11 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	5,949	18,798
Accruals and deferred income	34,272	32,219
Amounts due to Liverpool John Moores University	80,634	86,068
	<u>120,855</u>	<u>137,085</u>

12 Operating Leases

Operating lease rentals are payable as follows:

	2023 £	2022 £
Less than one year	2,400	2,400
Between one and five years	9,600	9,600
More than five years	270,400	272,200
	<u>282,400</u>	<u>284,200</u>

The operating lease arrangements relate to rent payments due on the leasehold interest in land owned by Liverpool John Moores University, with the related lease terms expiring in 2141. This has been prepaid in full and included within prepayments (note 10).

13 Reserves

	2023 £	2022 £
At 1st August 2022	713,632	661,485
Result for the year	(50,311)	52,147
At 31st July 2023	<u>663,321</u>	<u>713,632</u>

Member's Interests

The Members have the following voting rights:

	%	%
Liverpool John Moores University	50	50
University of Liverpool	50	50
	<u>100</u>	<u>100</u>

	2023 £	2022 £
Opening members' interests	713,632	661,485
(Loss)/profit for the financial period	(50,311)	52,147
Closing members' interests	<u>663,321</u>	<u>713,632</u>

Notes (continued)

14 Related Party Transactions

During the financial year the company had the following transactions with related parties as defined by Financial Reporting Standard 8:

Related Party	Relationship	Transactions	2023 £	Debtor/ (Creditor) at 31 July 2023	2022 £	Debtor/ (Creditor) at 31 July 2022
Liverpool John Moore's University	Member	Grant	100,000	-	230,000	-
		Trade balance	-	(80,634)	-	(86,068)
		Expenditure	30,000	-	49,156	-
University of Liverpool	Member	Grant	100,000	-	230,000	-
		Income	-	-	(1,000)	1,000

There is no provision against any related party transaction at the year end and no amounts have been written off during the year.

15 Ultimate parent company and parent company of larger group

The directors consider that there is no ultimate controlling party.