

Manchester Academic Health Science  
Centre (MAHSC)

Company Limited by Guarantee

FINANCIAL STATEMENTS

for the year ended

31 July 2016

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COMPANIES HOUSE

Company Registration No. 07083059

**Manchester Academic Health Science Centre (MAHSC)**  
**Company Limited by Guarantee**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**DIRECTORS**

Note: The MAHSC Members Agreement identifies Governors not Directors:

Sir Howard Bernstein (Non-Executive Chair)  
Sir Mike Deegan (CMFT)  
Mr Steve Mycio (CMFT)  
Mr Roger Spencer (Christie)  
Ms Christine Outram (Christie)  
Mr John Harrop (MHSC – appointed 5 September 2016)  
Mr John Scampion (MHSC – appointed 1 August 2015)  
Mr Anthony Hassall (SCCG – appointed 24 August 2015)  
Dr Tom Tasker (SCCG – appointed 1 August 2016)  
Sir David Dalton (SRFT)  
Mr Jim Potter (SRFT)  
Ms Diane Whittingham (UHSM – appointed 18 January 2016)  
Mr Barry Clare (UHSM)  
Professor Martin Humphries (UoM)  
Professor Dame Nancy Rothwell (UoM)  
Professor Ian Greer (MAHSC Director)  
Mrs Joanne Clague (MAHSC COO – appointed 28 September 2015)  
Professor Peter Trainer (MAHSC Clinical Director)  
Dr Linda Magee (MAHSC Business Development Director)  
Professor Colin Sibley (MAHSC Research Director)  
Professor Gillian Wallis (MAHSC Education & Training Director)

**AUDITOR**

RSM 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 2016.

#### 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 strategic plan (2014-19), which is endorsed by the National Institute of Health Research. This involved the implementation of operational plans to meet short, medium, and long-term objectives.

#### REVIEW OF ACTIVITIES

##### HIGHLIGHTS

- April 2016: Greater Manchester (GM) Health and Social Care Devolution
- September 2015: MAHSC signed a memorandum of understanding to become a founding partner in Health Innovation Manchester (HiM) – An academic health science system for Greater Manchester
- March and September 2015: Awarded three NHS England Vanguard Sites
- August 2016: Merger of the University Faculties of Medicine and Life Sciences bringing together all stages of the discovery-to-care continuum in a single structure
- Developed collaboration with the Innovate UK Precision Medicine Catapult (October 2015 Regional Centre of Excellence hosted on the CMFT site) and the Medicines Discovery Catapult based at Alderley Park (April 2016)
- June 2015: Gained CRUK Major Centre status (one of only three in the UK)
- September 2016: Awarded NIHR Biomedical Research Centre Status (£28.5m over five years across seven MAHSC research themes)

Greater Manchester (GM) has an historic opportunity to accelerate innovation into health improvements for the population. The Devolution ([www.gmhealthandsocialcaredevolution.org.uk](http://www.gmhealthandsocialcaredevolution.org.uk)) agreement, combined with our fast-growing health innovation ecosystem, unrivalled informatics and world-class facilities provides the setting for a new 'One Manchester' approach to integration of world-class research, excellence in medical and healthcare education and excellence in patient care. All components of the ecosystem are integrated to ensure that GM is a world-leading location for undertaking clinical research; where a single health and social care economy provides an excellent and efficient system to translate research and innovation at scale and pace, and where every patient is provided the opportunity to be involved in research to deliver better health outcomes and economic growth.

The MAHSC partnership continues to build on internationally leading experimental medicine, precision medicine (>£96m grant income) and e-health platforms to transform prevention, diagnosis and treatment of major diseases.

Highlighted above are just a few of our key achievements; further research success is evident through the work of the six MAHSC domains. MAHSC has been instrumental in driving the development of quality and critical mass under the 'One Manchester' banner including a single Biomedical Research Centre award (£28.5m), a single Clinical Research Facility bid (£15m), development of the Greater Manchester Research Hub (building on the existing success of the MAHSC Research Office), the enhancement of the MAHSC Clinical Trials Unit and the opening of the £35m Manchester Cancer Research Centre.

A major step towards achievement of MAHSC objectives is the merger of the University Faculties of Medicine and Life Sciences in August 2016. The creation of a new Faculty of Biology Medicine and Health brings together research and education in all stages of the discovery-to-care continuum in a single structure.

A new Education and Professional Development Academy spans the merged Faculty and the MAHSC Partnership. The Academy is focusing on the key strategic areas of student experience, pedagogical development, quality assurance and commissioning, and staff development. There are 24,000 health scientists trained each year in Greater Manchester and the Academy provides the platform to build on these foundations to develop tomorrow's research leaders. The Academy incorporates existing programmes and infrastructure that have been developed within the MAHSC partnership. It is led by the MAHSC Director for Education and Training who has also been appointed as the Vice Dean for Education for the new Faculty thereby providing integration of the strategy for Education across the partnership.

# Manchester Academic Health Science Centre (MAHSC)

## Company Limited by Guarantee

### DIRECTORS' REPORT

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#### DIRECTORS

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

Sir Howard Bernstein (Non-Executive Chair)  
Sir Mike Deegan (CMFT)  
Mr Steve Mycio (CMFT)  
Mr Roger Spencer (Christie)  
Ms Christine Outram (Christie)  
Ms Michelle Moran (MHSC – resigned 2 September 2016)  
Mr John Scampion (MHSC – appointed 1 August 2015)  
Mr Anthony Hassall (SCCG – appointed 24 August 2015)  
Hamish Stedman (SCCG – resigned 29 July 2016)  
Sir David Dalton (SRFT)  
Mr Jim Potter (SRFT)  
Dr Atila Vegh (UHSM – resigned 8 January 2016)  
Ms Diane Whittingham (UHSM – appointed 18 January 2016)  
Mr Barry Clare (UHSM)  
Professor Martin Humphries (UoM)  
Professor Dame Nancy Rothwell (UoM)  
Professor Ian Greer (MAHSC Director)  
Mrs Joanne Clague (MAHSC COO – appointed 28 September 2015)  
Professor Peter Trainer (MAHSC Clinical Director)  
Dr Linda Magee (MAHSC Business Development Director)  
Professor Colin Sibley (MAHSC Research Director)  
Professor Gillian Wallis (MAHSC Education & Training Director)

#### 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.

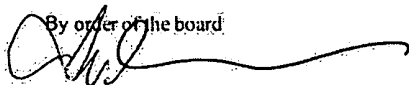
#### AUDITOR

RSM 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 Greer  
Director

15 November 2016

**Manchester Academic Health Science Centre (MAHSC)**  
**Company Limited by Guarantee**  
**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF**  
**FINANCIAL STATEMENTS**

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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 the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 2016 and of its deficit 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.

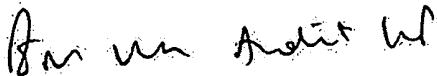
### Opinion on other matter prescribed by the Companies Act 2006

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 from the requirement to prepare a strategic report or in preparing the directors' report.



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

2 December 2016

Manchester Academic Health Science Centre (MAHSC)  
 Company Limited by Guarantee  
 INCOME AND EXPENDITURE ACCOUNT  
 for the year ended 31 July 2016

	Notes	Year ended 31 July 16 £	Year ended 31 July 15 £
INCOME		1,772,000	2,137,989
Project Costs		(1,115,623)	(1,240,039)
Administrative expenses		(801,969)	(822,881)
OPERATING (DEFICIT)/SURPLUS		(145,592)	75,069
Interest receivable		6,383	7,142
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(139,209)	82,211
Taxation			
NET (DEFICIT)/SURPLUS FOR THE FINANCIAL PERIOD	7	(139,209)	82,211

The 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.

Company Registration No. 07083059

# Manchester Academic Health Science Centre (MAHSC)

## Company Limited by Guarantee

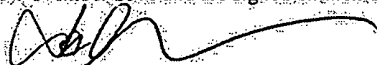
### BALANCE SHEET

As at 31 July 2016

	Notes	31 July 16 £	31 July 15 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		491,257	880,694
Debtors	2	10,607	62,219
		<u>501,864</u>	<u>942,913</u>
<b>CREDITORS</b>			
Amounts falling due within one year	3	342,992	644,832
<b>NET CURRENT ASSETS</b>		<u>158,872</u>	<u>298,081</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>158,872</u>	<u>298,081</u>
<b>RESERVES</b>			
Income and expenditure account	7	158,872	298,081
<b>MEMBERS' FUNDS</b>		<u>158,872</u>	<u>298,081</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 6 to 10 were approved by the board of directors and authorised for issue on 15 November 2016 and are signed on their behalf by:



Professor Ian Greer  
Director



# Manchester Academic Health Science Centre (MAHSC) Company Limited by Guarantee

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

### 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 £270,000 and £322,000 per annum.

On the basis of their assessment of the Company's financial position and the forecast income, expenditure and cashflows for at least the next 12 months from the date of approval of these financial statements, 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 the Financial Reporting Standard for Smaller Entities (effective January 2015) 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 2016

#### 1 OPERATING PROFIT

Operating profit is stated after charging:

	Year ended 31 July 16	Year ended 31 July 15
	£	£
Auditors' fees	5,500	5,350

#### 2 DEBTORS

	Year ended 31 July 16	Year ended 31 July 15
	£	£
Trade debtors	-	52,304
Prepayments and accrued income	10,607	9,915
	<u>10,607</u>	<u>62,219</u>

#### 3 CREDITORS: Amounts falling due within one year

	31 July 16	31 July 15
	£	£
Trade creditors	38,582	542,638
Accruals and deferred income	304,410	102,194
	<u>342,992</u>	<u>644,832</u>

#### 4 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 July 16 £	Expenditure Year ended 31 July 16 £	Debtor balance at 31 July 16 £	Creditor balance at 31 July 16 £
The Christie NHS Foundation Trust	282,000	249,303	-	-
NHS Salford Clinical Commissioning Group	282,000	-	-	-
Salford Royal NHS Foundation Trust	282,000	261,304	-	21,741
University of Manchester	362,000	589,330	1,520	125,418
University Hospital of South Manchester NHS Foundation Trust	282,000	-	-	-
Central Manchester University Hospitals NHS Foundation Trust	282,000	402,764	-	4,409

# Manchester Academic Health Science Centre (MAHSC)

## Company Limited by Guarantee

### MANAGEMENT INFORMATION

for the year ended 31 July 2016

#### 4 RELATED PARTY TRANSACTIONS (continued)

Related party	Income Year ended 31 July 15 £	Expenditure Year ended 31 July 15 £	Debtor balance at 31 July 15 £	Creditor balance at 31 July 15 £
The Christie NHS Foundation Trust	286,000	(222,595)	-	(3,933)
Manchester Mental Health & Social Care Trust	270,000	(129,000)	-	-
NHS Salford Clinical Commissioning Group	286,000	-	-	-
Salford Royal NHS Foundation Trust	286,000	(242,301)	-	(28,448)
University of Manchester	366,000	(653,202)	1,520	(149,223)
University Hospital of South Manchester NHS Foundation Trust	319,494	(4,895)	-	-
Central Manchester University Hospitals NHS Foundation Trust	319,494	(445,209)	54,904	(398,995)

#### 5 DIRECTORS' REMUNERATION

Payroll is managed through member organisations and a total of £289,376 (2015 – £173,669) including employer's national insurance and pension costs, has been recharged for their services as directors of MAHSC. Amounts recharged in respect of the highest paid director were £143,193 (2015: £79,643).

#### 6 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.

#### 7 INCOME AND EXPENDITURE ACCOUNT

	Year ended 31 July 15 £	Year ended 31 July 14 £
At 1 August 2015	298,081	215,870
(Deficit)/surplus for the financial year	(139,209)	82,211
At 31 July 2016	<u>158,872</u>	<u>298,081</u>

#### 8 RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	Year ended 31 July 16 £	Year ended 31 July 15 £
(Deficit)/surplus for the financial year	(139,209)	82,211
Increase in members' funds	(139,209)	82,211
Opening members' funds	298,081	215,870
Closing members' funds	<u>158,872</u>	<u>298,081</u>