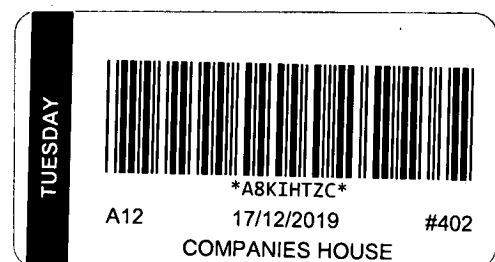


**South Tees Institute of Learning, Research and
Innovation LLP**

**Members' report and financial
statements**

Registered number OC411730

31 March 2019



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Members' report

The members present their Members' report and the financial statements for the period ended 31 March 2019.

Principal activities and business review

The South Tees Institute of Learning, Research and Innovation is based at The James Cook University Hospital, Middlesbrough and forms part of South Tees Hospitals NHS Foundation Trust. The Institute brings together all of the Trust's learning, research, training development functions into one.

The Institute has developed strengths and partnership with cutting edge organisations and stakeholders across the NHS, education and clinical industry landscapes.

Policy regarding members' drawings and the subscription and repayment of members' capital

Members' initial capital contributions are determined by the LLP agreement. Any further requirements for capital by the LLP will be provided by way of additional capital contributions as the members may agree from time to time. Capital may only be withdrawn with the unanimous agreement of the members.

Profits and losses of the LLP are allocated to the members in proportion to their capital contribution. Distributions to members may only be made with the unanimous agreement of the members.

Designated members

The designated members who have served the LLP throughout the period and subsequent to the period end are as follows:

- South Tees Hospitals NHS Foundation Trust
- South Tees Healthcare Management Limited

Disclosure of information to auditors

The members at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the partnership's auditors are unaware; and each member has taken all the steps that ought to have been taken as a member in order to aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

Auditor

The auditor is deemed to reappointed in accordance with section 487 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

On behalf of the members

Steven Mason

Steven Mason

*On behalf of South Tees South Tees Institute of Learning, Research
and Innovation LLP*

The Murray Building
The James Cook University Hospital
Marton Road
Middlesbrough
TS4 3BW

9th December 2019

Statement of members' responsibilities in respect of the Members' Report and the financial statements

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- 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; and
- assess the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. 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 LLP and to prevent and detect fraud and other irregularities.



KPMG LLP

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Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of South Tees Institute of Learning, Research and Innovation LLP

Opinion

We have audited the financial statements of South Tees Institute of Learning, Research and Innovation LLP ("the LLP") for the period ended 31 March 2019 which comprise the Profit and loss account and other comprehensive income, Balance sheet, Reconciliation of members' interests 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 affairs of the LLP as at 31 March 2019 and of its result for the period 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 LLP 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures, such as the impairment of investments and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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").

Independent auditor's report to the members of South Tees Institute of Learning, Research and Innovation LLP (continued)

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit;

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 2, the members 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 LLP'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 LLP 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.

Independent auditor's report to the members of South Tees Institute of Learning, Research and Innovation LLP (continued)

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

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

16 December 2019

Profit and loss account and other comprehensive income
for the period ended 31 March 2019

During the current 43 week period from 01 June 2018 to 31 March 2019 and the preceding financial year from 01 June 2017 to 31 May 2018, the LLP did not trade, received no income and incurred no expenditure. Consequently, during those periods, the LLP made neither a profit nor a loss and recorded no other comprehensive income.

Balance sheet
at 31 March 2019

	Note	31 March 2019 £	31 May 2018 £
Fixed assets			
Investments	5	-	-
		-	-
Creditors: amounts due within one year	6	(200,130)	(200,130)
		-	-
Net liabilities attributable to members		(200,130)	(200,130)
		-	-
Members' interests			
Members' capital	7	-	-
Profit and loss account		(200,130)	(200,130)
		-	-
Total members' interests		(200,130)	(200,130)
		-	-

These financial statements were approved by the members on 9th December 2019 and were signed on their behalf by:

Steven Mason

Steven Mason
On Behalf of South Tees South Tees Institute of Learning, Research and Innovation LLP

Registered number: OC411730

Reconciliation of members' interests
for the period ended 31 March 2019

	Members' capital (classified as equity) £	Profit and loss account £	Total £
Members' interests			
Balance at 1 June 2017	-	(200,130)	(200,130)
Result for the financial year available for discretionary division among members	-	-	-
Balance at 31 May 2018	-	(200,130)	(200,130)
Balance at 1 June 2018	-	(200,130)	(200,130)
Result for the financial period available for discretionary division among members	-	-	-
Balance at 31 March 2019	-	(200,130)	(200,130)

Notes

(forming part of the financial statements)

1 Accounting policies

South Tees Institute of Learning, Research and Innovation LLP (the "LLP") is an LLP incorporated and domiciled in the UK.

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 and the requirements of the statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in March 2010 (SORP 2010). The presentation currency of these financial statements is sterling.

The LLP had no cash or cash equivalents or cash flows in either 2018 or 2019. Therefore no cash flow statement has been presented.

1.1 Classification of financial instruments issued by the LLP

In accordance with FRS 102.22, financial instruments issued by the LLP are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the LLP to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the LLP; and
- (b) where the instrument will or may be settled in the LLP's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the LLP's own equity instruments or is a derivative that will be settled by the LLP's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the LLP's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.2 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. Subsequent to 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.

Notes (continued)

1 Accounting policies (continued)

1.3 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

1.4 Going concern

The members have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the LLP will have sufficient funds, through funding from its members, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the LLP's members providing additional financial support during that period. The members have indicated their intention to continue to make available such funds as are needed by the LLP for the period covered by the forecasts. As with any entity placing reliance on other entities for financial support, the members 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 members 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.

1.5 Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statements of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the statement of comprehensive income and are equity appropriations in the statement of financial position.

All amounts due to members that are classified as liabilities are presented in the statement of financial position within 'Loans and other debts due to members'. In the event of a winding up, such amounts shall be distributed to members after payment and discharge of all other liabilities of the LLP. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

2 Auditor's Remuneration

	2019 £	2018 £
Audit of these financial statements	<u>3,000</u>	<u>3,000</u>

The auditor provided no other services to the LLP. The audit fees for both the current period and prior year were borne by the members of the LLP.

3 Staff Numbers and Costs

There were no staff employed by South Tees Institute of Learning, Research and Innovation LLP (2018: nil).

4 Remuneration to Members

None of the officers received any remuneration from the partnership (2018: nil). There is no key management personnel remuneration.

5 Fixed asset investments

	Unlisted investments £
<i>Fair Value</i>	
At beginning and end of period	<u>200,130</u>
<i>Provisions</i>	
At beginning and end of period	<u>200,130</u>
Net book value	
At 31 March 2019	<u>-</u>
At 31 May 2018	<u>-</u>

The above represents a 0.6% investment in the ordinary share capital of Polyphotonix Limited. The historical cost of the above is £200,130 (2018: £200,130).

6 Creditors: amounts falling due within one year

	31 March 2019 £	31 May 2018 £
Amounts due to South Tees Hospitals NHS Foundation Trust	<u>200,130</u>	<u>200,130</u>

The above are unsecured and interest free with no fixed repayment date.

7 Members' interests

	Members' capital £
At beginning and end of year	<u>-</u>

Notes (continued)

8 Related party transactions

The partnership has two limited partners being South Tees Hospitals NHS Foundation Trust and South Tees Healthcare Management Limited. There were no related party transactions during the year. Amounts due to South Tees Hospitals NHS Foundation Trust are disclosed in Note 6.

9 The carrying amount of financial instruments

	2019 £	2018 £
Assets measured at fair value	-	-
Liabilities measured at amortised cost	<u>200,130</u>	<u>200,130</u>

10 Ultimate controlling party

The members regard South Tees Hospitals NHS Foundation Trust as the ultimate parent undertaking and the ultimate controlling party. A parent undertaking, South Tees NHS Foundation Trust does not include the LLP in its consolidated financial statements on the grounds of materiality. Copies of the financial statements may be obtained from The Murray Building, The James Cook University Hospital, Marton Road, Middlesbrough, TS4 3BW.