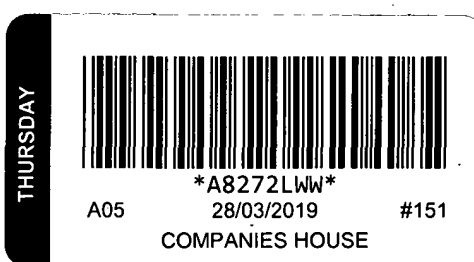


**NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

(Registered Number 04477457)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**



# **NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

## **CONTENTS**

	<b>PAGE</b>
Strategic Report	1
Directors' Report and Responsibilities Statement	2 - 3
Independent Auditor's Report	4 - 5
Statement of Income and Retained Earnings	6
Balance Sheet	7
Notes to the Financial Statements	8 - 11

**NOTTINGHAM TECHNOLOGY VENTURES LIMITED**  
**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2018**

The Directors present their strategic report for the year ended 31 July 2018.

***Business Review, Principal Activities and Future Developments***

Nottingham Technology Ventures Limited ("The Company") was previously dormant but commenced trading on 1 October 2017 to manage the spin out investment portfolio of the University of Nottingham.

The company has 3 primary functions:

- 1) Develop a pipeline of spin-out companies based on UoN intellectual property (IP)
- 2) Support the University's existing spin-out portfolio; and
- 3) Advise the University on the investment and management of a new £5m fund

2018 was a strong year for the Company. It advised the University of Nottingham on a number of share disposals and exits which, in aggregate, returned £11.5m in cash to the University. Further, the University's portfolio of spin-out companies raised around £35.6m of investment from third parties. Finally, the Company has developed a strong portfolio of future spin-outs which is expected to deliver a number of new companies in 18/19.

***Results for the Year***

The Company broke even in its first trading period.

***Principal Risks, Uncertainties and Opportunities***

The Directors consider that the principal risks and uncertainties facing the Company are the level of demand for its services.

The Company's principal financial assets are bank balances and intercompany borrowings.

The directors believe that credit risk is low as a high proportion of the debtor balances are due from fellow group companies; in the directors' opinion, the owing companies have sufficient resources that there is minimal risk of the debtor being irrecoverable.

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

Approved by the Board and signed on its behalf by:



Mrs M Monckton  
Director

Date: 30/1/2019

University of Nottingham, Kings Meadow Campus, Lenton Lane, Nottingham, England, NG7 2NR

**NOTTINGHAM TECHNOLOGY VENTURES LIMITED  
DIRECTORS' REPORT AND RESPONSILITIES STATEMENT  
FOR THE YEAR ENDED 31 JULY 2018**

The Directors present their annual report, together with the audited financial statements for the year ended 31 July 2018.

***Directors***

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

Professor A Long  
Mr R Keyworth  
Mrs M Monckton (appointed 9 August 2017)  
Professor Dame J Corner (appointed 8 December 2017)  
Dr S Huxtable (appointed 8 December 2017)  
Mr A Naylor (appointed 8 December 2017)

***Future Developments***

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

***Directors' Indemnities***

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

***Going Concern***

The Directors believe that the Company will continue with its current business. The Company's parent company, the University of Nottingham, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period no less than 12 months from the signing of the Company's financial statements. As a result, the Directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern accounting convention.

***Dividends***

The Directors do not recommend payment of a dividend.

***Directors' Responsibilities Statement***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standards 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the

**NOTTINGHAM TECHNOLOGY VENTURES LIMITED  
DIRECTORS' REPORT AND RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 JULY 2018 - CONTINUED**

***Financial risk management objectives and policies***

Details of financial risk management objectives and policies can be found in the principal risks section of the Strategic Report on page 1 and form part of this report by cross-reference

***Provision of Information to Auditor***

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

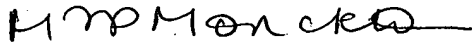
- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant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

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

***Auditor***

A resolution to reappoint Deloitte LLP, who were appointed as auditor during the year, will be proposed at the Annual General Meeting.

Approved by the Board and signed on its behalf by:



Mrs M Monckton

Dated: 30.1.2019

Director

University of Nottingham, Kings Meadow Campus, Lenton Lane, Nottingham, England, NG7 2NR

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Nottingham Technology Ventures Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of income and retained earnings
- the balance sheet; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOTTINGHAM TECHNOLOGY VENTURES LIMITED (CONTINUED)**

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

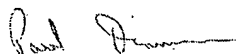
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Thomson (ACA) (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Nottingham, UK

22 March 2019

**NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 JULY 2018**

		<b>2018</b>	<b>2017</b>
	<b>NOTE</b>	<b>£000</b>	<b>£000</b>
<b>TURNOVER</b>	1d	<b>99</b>	-
<b>Administrative expenses</b>		<b>(99)</b>	-
<b>RESULT BEFORE TAX</b>	3	-	-
<b>Tax on result</b>	5	-	-
<b>RESULT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		-	-
<b>RETAINED DEFICIT AT 1 AUGUST</b>		-	-
<b>RETAINED DEFICIT AT 31 JULY</b>		-	-

The above results arose from continuing operations.

**NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

**BALANCE SHEET  
AS AT 31 JULY 2018**

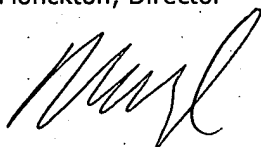
	NOTE	2018 £000	2017 £000
<b>CURRENT ASSETS</b>			
Debtors	6	1	-
Cash at bank and in hand		74	-
		<u>75</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>			
Creditors - amounts falling due within one year	7	(75)	-
		<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		-	-
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>-</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and Loss account	8	-	-
		<u>-</u>	<u>-</u>
<b>SHAREHOLDER'S FUNDS</b>		<u>-</u>	<u>-</u>

The financial statements of Nottingham Technology Ventures Limited (registered number 04477457) on pages 6 to 11 were approved by the Board on: 30/11/2019

They were signed on its behalf by:



Mrs M Monckton, Director



Mr R Keyworth, Director

## **NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018**

#### **1 ACCOUNTING POLICIES**

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

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

##### **(a) Basis of preparation of financial statements**

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

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

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

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

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

##### **(b) Going concern**

As stated on the balance sheet at 31 July 2018 the Company had net current assets of £nil. The Directors believe that the Company will continue with its current business. The Company's parent company, the University of Nottingham, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period no less than 12 months from the signing of the Company's financial statements. As a result, the Directors believe that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern accounting convention.

##### **(c) Financial instruments**

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

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

All financial assets and liabilities are measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

## **NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 JULY 2018**

#### **1 ACCOUNTING POLICIES (continued)**

##### **(c) Financial instruments (continued)**

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

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

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

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

##### **(d) Turnover**

Turnover is stated net of VAT and trade discounts and relates to fees receivable for the management of the University of Nottingham's spin out company investment portfolio. All turnover is derived in the United Kingdom. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of the services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### **(e) Taxation**

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income:

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **2 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

##### **Critical judgements in applying the Company's accounting policies**

There are no critical judgements in applying accounting policies.

# **NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **FOR THE YEAR ENDED 31 JULY 2018**

### **3 RESULT BEFORE TAX IS STATED AFTER CHARGING:**

	2018 £000	2017 £000
Audit fee for audit of the company's annual financial statements	2	-
	<u>          </u>	<u>          </u>

There were no fees payable to the Company's auditor for non audit services in the current year.

### **4 STAFF COSTS**

The monthly average number of persons employed by the Company during the year was as follows:

	2018 No.	2017 No.
Management and administration	1	-
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	63	-
Social security costs	7	-
	<u>70</u>	<u>          </u>

The Directors received no remuneration for their services to the Company during the current year (2017: £nil).

### **5 TAX ON RESULT**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The tax charge comprises:

	2018 £000	2017 £000
<b>Current tax</b>		
UK corporation tax at 19% (2017: 19.67%)	-	-
	<u>          </u>	<u>          </u>
<b>Total current tax and tax on result</b>	<u>          </u>	<u>          </u>

Per current UK corporation tax law, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017, resulting in a rate of corporation tax applied to reported profit of 19% (2017: 19.67%). The Finance (No. 2) Act 2016, which received Royal Assent on 15 September 2016, states that the UK corporation tax rate will be further reduced to 17% effective from 1 April 2020. The reduction to the tax rate included in the Finance (No. 2) Act 2016 was enacted at the balance sheet date and the effect thereof is therefore included in these financial statements.

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

	2018 £000	2017 £000
<b>Result before tax</b>	<u>          </u>	<u>          </u>
Tax on result at standard UK corporation tax rate of 19% (2017: 19.67%)	<u>          </u>	<u>          </u>

**NOTTINGHAM TECHNOLOGY VENTURES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31 JULY 2018**

<b>6 DEBTORS</b>	<b>2018 £000</b>	<b>2017 £000</b>
VAT repayable	<u>1</u>	<u>-</u>
	<u>1</u>	<u>-</u>

<b>7 CREDITORS - amounts falling due within one year</b>	<b>2018 £000</b>	<b>2017 £000</b>
Trade creditors	7	-
Amounts owed to group undertakings	62	-
Sundry creditors and accruals	<u>6</u>	<u>-</u>
	<u>75</u>	<u>-</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.  
Social security costs are remitted to HMRC by the Company's parent, the University of Nottingham.

<b>8 CALLED UP SHARE CAPITAL AND RESERVES</b>	<b>2018 £</b>	<b>2017 £</b>
Authorised, allotted, called up and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

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

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

**9 RELATED PARTY TRANSACTIONS**

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

There are no other Related Party Transactions.

**10 ULTIMATE PARENT UNDERTAKING**

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

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