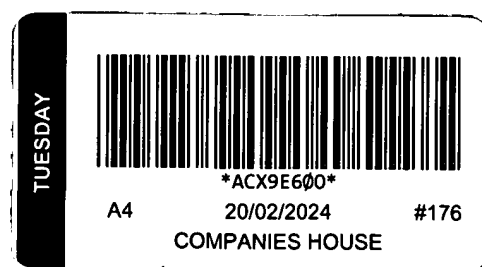


SC 148048

# **Edinburgh Innovations Limited**

## **Annual Report and Financial Statements**

31 July 2023



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# Edinburgh Innovations Limited

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## OFFICERS AND PROFESSIONAL ADVISERS

### **DIRECTORS**

J Reid (Chairman)  
C Boswell  
G Cannon  
N Carragher  
L Hamill (resigned: 5<sup>th</sup> September 2023)  
I Gordon  
K Immergluck  
C Martin  
A Young  
J Smith (appointed: 26 June 2023)  
A Henderson (appointed: 25 September 2023)

### **SECRETARY**

K Ngai

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

### **BANKERS**

Royal Bank of Scotland plc  
St Andrews Square  
Edinburgh  
EH2 2YB

### **REGISTERED OFFICE**

University of Edinburgh  
Old College  
South Bridge  
Edinburgh  
Midlothian  
EH8 9YL

### **COMPANY NUMBER**

SC 148048

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023**

The directors present their strategic report for Edinburgh Innovations Limited (“the Company”) for the year ended 31 July 2023.

### **REVIEW OF THE BUSINESS**

The company derives its income from four main sources: management fees for commercialisation services provided to the University of Edinburgh, sales of consultancy services, royalty and licence income and property letting income. Income from the University of Edinburgh group represented around 46% of total turnover (2022 – 47%).

The company had record turnover from both its Consultancy and Intellectual Property activities. The Company has supported the creation of 123 start-up companies during the year (2022 – 116). The Company continues to be pleased with the level of commercial activity that it has helped to secure for the University of Edinburgh; £91.9m of Industrial and Translational Awards (2022 - £72.4m) were won by the University during the financial year. Consultancy invoicing at £13.6m (2022 - £12.3m) was also a record.

The directors are pleased with the financial performance of the company. They also note the profit before tax of £1,046,344 (2022-£2,317,444). Financial Year 2022/2023 has been a challenging year. Profits were down on previous year, this was largely driven by higher costs compared to last year (when it was previously impacted by the Pandemic):

- Positively, there were more commercial activities, business development and stakeholder engagement in 2022/2023, this helped EI deliver record turnover and supported the University of Edinburgh in securing an additional £19.5m of Industrial and Translational Awards
- Key property costs including energy costs and service charges were significantly higher than previous year due to a combination of reasons including revised lease terms and impact of inflation.
- Salary costs were higher than normal due to market dynamics of attracting and retaining key talent

The directors consider the level of reserves at the financial year end of £179,254 to be sufficient for the company to pursue its business objectives for the following year.

### **FUTURE DEVELOPMENTS**

Edinburgh Innovations Limited is the University of Edinburgh’s industrial and commercialisation company. EI leads on key Business Development activities for the University including in the areas of intellectual property commercialisation, consultancy income, company formation and industrial engagement. The company constantly reviews its operations in order to provide a greater focus on increasing engagement with business and industry on behalf of its parent. The directors believe that the changes that it has made to ways of working during this year have led to an improved performance in operational activities. The company will monitor the impact of any return to office working.

The directors feel that the balanced mix of activities and sectors within which it operates will stand it in good stead for future activity. For example, the value of confirmed pipeline of work for the Consultancy activity at 1 August 2023 was higher than previous years.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors consider a key risk to the company to be reductions in future direct income and indirect revenue for Edinburgh Innovations and University of Edinburgh respectively. To help mitigate this risk, EI has a team of highly skilled and experienced staff with sound commercial acumen, they would continue to build business relationship and maintain strong collaborations with academics and external partners.

There are a range of other risks associated with the business operation including retaining and attracting key staff and changes due to macro-economics. All key risks are reviewed and managed as part of the risk register.

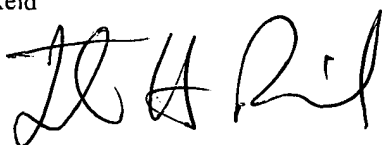
Income from the University of Edinburgh in future years may be impacted by possible reductions in its funding from the Scottish Funding Council. The company therefore puts a strong emphasis on good financial control, including financial planning, budgetary procedures and medium term forecasting.

In addition, the company is stepping up efforts to both protect and increase external funding. This includes both the provision of consultancy contracts to third parties and also property letting income. The main financial risks relate to credit and currency. We mitigate the first risk by vetting potential customers before extending credit and vigorously monitoring outstanding debt. We mitigate the second risk by trying wherever possibly to invoice customers in Sterling.

Approved by the Board of Directors on 14 December 2023 and signed on their behalf by:

J Reid

Chairman

A handwritten signature in black ink, appearing to read 'J Reid', is written over a light blue horizontal line.

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023**

The directors present their report and the audited financial statements of Edinburgh Innovations Limited ("the Company") for the year ended 31 July 2023.

### **PRINCIPAL ACTIVITIES**

The company's main activities are the commercial exploitation of intellectual property arising from the research base of the University of Edinburgh, such as patenting, licencing and company formation activities. This also includes assisting the University and its academics to obtain industrial and translational research awards. The company also administers short-term consultancy assignments carried out by University of Edinburgh staff, and manages the University Science Park at the Edinburgh Technopole on the Bush Estate.

In addition the company provides financial and administrative services to other University of Edinburgh group companies, and also hosts Fintech Scotland Limited and the Interface project, a joint project on behalf of all Scottish Higher Education Institutions, designed to develop a linkage between Higher Education and Scottish Industry.

The directors do not recommend the payment of a dividend for the year (2022: £Nil).

### **FUTURE DEVELOPMENTS**

Information on future developments is contained within the strategic report on page 3.

### **DIRECTORS**

The directors of the company who were in office during the year and up to the date of signing the financial statements are detailed on page 2.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company. According to the register of directors' interests, no rights to subscribe for shares in, or debentures of, group companies were granted to any of the directors or their immediate families, or exercised by them during the financial year.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that as far as they are aware there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **INDEPENDENT AUDITORS**

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

### **GOING CONCERN**

Given the level of financial reserves at the end of the financial year, and the positive forecast for the current year, the directors believe that it is appropriate to prepare the financial statements on the going concern basis. Further details are set out in the accounting policies within the financial statements.

Approved by the Board of Directors on 14 December 2023 and signed by order of the board:

K Ngai

Company Secretary

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 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.

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.

## **CORPORATE GOVERNANCE STATEMENT**

Edinburgh Innovations Limited is a 100% subsidiary of The University of Edinburgh. The University of Edinburgh adheres to recognised best practice in relation to Corporate Governance in the higher education sector. The Company will have regard to the University's policies on all aspects of Corporate Governance.

## **THE BOARD**

The Board met five times during the year and is charged with the overall leadership and control of the Company. The Board currently consists of nine directors, six of whom hold senior positions within the University of Edinburgh and three external directors, one of whom is the Chairman. The details of the directors are set out on page 2.

All directors bring their independent judgement to bear on issues of strategy, performance, resources, and standards of conduct. To enable them to do this all directors have full and timely access to all relevant information. Directors also have access to independent professional advice at the Company's expense, if and when required.

Appointment to the Board of Directors is subject to the approval of The University Court of The University of Edinburgh.

## **REMUNERATION POLICY**

Four directors (2022: four) received total emoluments of £149,783 (2022: £148,929). There are other Directors who are members of other entities within the University of Edinburgh group of companies: where payments are received by the Directors from such entities no re-charge of costs is made to the Company.

## **FINANCIAL REPORTING**

The Board accepts responsibility for preparing the financial statements and presenting a balanced and understandable assessment of the Company's position. The Board confirms that it is satisfied that the Company can continue to operate for the foreseeable future and is financially sound. For this reason they adopt the going concern basis in preparing the financial statements.

## **INTERNAL CONTROL**

The Board accepts responsibility for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The University of Edinburgh's Internal Audit function reviews internal controls in key activities of the Company and reports their findings to the board and the University's Audit and Risk Committee, recommending improvements to controls and procedures.

## **COMPLIANCE WITH CORPORATE GOVERNANCE POLICIES OF UNIVERSITY OF EDINBURGH**

To the best of the knowledge of the directors of the Company, the Company complies with the Corporate Governance policies of The University of Edinburgh.

## **AUDIT COMMITTEE**

The Company comes under the jurisdiction of The University of Edinburgh Audit & Risk Committee who may receive reports relating to the Company from Internal and External auditors. In addition, the Company formed its own Audit & Risk Committee in 2021 and it meets three times a year to monitor risks and review audit process.



# Edinburgh Innovations Limited

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDINBURGH INNOVATIONS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

In our opinion, Edinburgh Innovations Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 July 2023; the statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### INDEPENDENCE

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### CONCLUSIONS RELATING TO GOING CONCERN

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDINBURGH INNOVATIONS LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**REPORTING ON OTHER INFORMATION**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

**Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 July 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recording inappropriate journal entries to improve financial performance and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding management's controls designed to prevent and detect irregularities;
- Review of board minutes; and
- Review of journal entries to identify any unusual or unexpected items.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDINBURGH INNOVATIONS LIMITED**

**OTHER REQUIRED REPORTING**

**COMPANIES ACT 2006 EXCEPTION REPORTING**

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Matthew Kaye (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

14 December 2023

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 JULY 2023**

	<i>Note</i>	2023 £	2022 £
<b>TURNOVER</b>	2	32,809,201	32,424,076
<b>COST OF SALES</b>	3	(13,795,353)	(13,816,043)
<b>GROSS PROFIT</b>		19,013,848	18,608,033
<b>ADMINISTRATIVE EXPENSES</b>	4	(18,018,327)	(16,292,930)
<b>OPERATING PROFIT</b>		995,521	2,315,103
Interest receivable and similar income	6	50,823	2,341
<b>PROFIT BEFORE TAXATION</b>	7	1,046,344	2,317,444
Tax on profit	8	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,046,344	2,317,444
<b>RETAINED EARNINGS BROUGHT FORWARD</b>		1,613,926	1,594,634
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,046,344	2,317,444
<b>GIFT AID PAYMENT</b>		(2,481,016)	(2,298,152)
<b>RETAINED EARNINGS CARRIED FORWARD</b>		179,254	1,613,926

All turnover and the profit before taxation are derived from continuing operations.

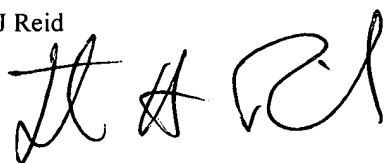
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2023**

	<i>Note</i>	<i>2023</i> £	<i>2022</i> £
<b>FIXED ASSETS</b>			
Tangible assets	9	4,997	-
Investments	10	1	1
		<u>4,998</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
Debtors	11	3,796,606	3,646,232
Cash at bank and in hand		6,001,023	7,782,779
		<u>9,797,629</u>	<u>11,429,011</u>
<b>CREDITORS: amounts falling due within one year</b>	12	(9,623,371)	(9,815,084)
<b>NET CURRENT ASSETS</b>		<u>174,258</u>	<u>1,613,927</u>
<b>NET ASSETS</b>		<u>179,256</u>	<u>1,613,928</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	2	2
Retained Earnings	14	179,254	1,613,926
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>179,256</u>	<u>1,613,928</u>

The notes on pages 14 to 20 are an integral part of these financial statements.

The financial statements on pages 12 to 20 were authorised for issue by the Board of Directors on 14 December 2023 and were signed on its behalf by:

J Reid Chairman



Registered in Scotland Number SC148048

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### STATEMENT OF COMPLIANCE

Edinburgh Innovations Limited (the 'Company') is a private company limited by shares and incorporated in Scotland, United Kingdom. The Registered Office is Old College, South Bridge, Edinburgh, EH8 9YL.

The Company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The Company has applied section 11 and 12 of FRS102 in respect of recognition and measurement of financial instruments.

The directors do not consider that there are any accounting judgements or estimates which have a material impact on these financial statements.

#### BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards. The Company's functional and presentation currency is the pound sterling. These financial statements are prepared under the historical cost convention.

#### GOING CONCERN

Given the level of financial reserves at the end of the financial year, and the positive forecast for the current year, the directors believe that it is appropriate to prepare the financial statements on the going concern basis.

#### GIFT AID

The Company continued with the amended policy for Consultancy activities that it introduced on 1 August 2019.

#### FIXED ASSETS

Fixed Asset Policy was reviewed and updated in current financial year.

Items above £5,000 will be capitalised. Groups of items that individually are below £5,000, even if in aggregate they exceed £5,000, will be expensed in the year of purchase.

#### DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Computer hardware and software	over 4 years
Office furniture and equipment	over 4 years
Leasehold improvements	over 10 years

#### EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and its ultimate parent company, The University of Edinburgh, includes the Company's cash flows in its own consolidated financial statements. The Company has also taken advantage of the exemption in relation to disclosures relating to financial instruments.

As the Company is a wholly owned subsidiary of The University of Edinburgh, the Company has taken advantage of the exemption contained in FRS 102 Section 33.1A *Related Party Disclosures* and has therefore not disclosed transactions or balances with entities that form part of the group.

## 1. ACCOUNTING POLICIES (CONTINUED)

### TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

### DEFERRED INCOME

From time to time, the company receives grant income from the University of Edinburgh and other funding bodies in order to fund specifically defined projects over and above the regular activities of the company. These grants are treated as deferred income.

Expenditure on these activities is written off in the year in which it is incurred, and is matched by an equal drawdown of income.

## 2. TURNOVER

Turnover represents income (excluding Value Added Tax) arising from the exploitation of intellectual property on behalf of the University of Edinburgh, consultancy contracts, rental income, and the provision of services to the University of Edinburgh, other Group companies, and third parties in respect of research support and commercialisation activities.

	2023	2022
	£	£
Intellectual property income	3,869,109	4,613,691
Consultancy contracts	13,607,584	12,326,313
Services provided to the University of Edinburgh Group	7,551,000	7,551,000
Reimbursement of expenditure from the University of Edinburgh Group (including third party reimbursements)	7,387,523	7,552,586
Property rental income	393,985	380,486
	<u>32,809,201</u>	<u>32,424,076</u>

	2023	2022
	£	£
The geographical breakdown of turnover is as follows:		
UK	27,975,877	25,533,469
Overseas	4,833,324	6,890,607
	<u>32,809,201</u>	<u>32,424,076</u>

## 3. COST OF SALES

	2023	2022
	£	£
Consultants and project management costs	10,532,346	10,065,468
Patent Fees and Other IP	3,263,007	3,750,575
	<u>13,795,353</u>	<u>13,816,043</u>



# Edinburgh Innovations Limited

## 4. ADMINISTRATIVE EXPENSES

	2023	2022
	£	£
Wages And Salaries	13,707,670	12,441,552
Administrative Expenses	4,310,657	3,851,378
	<u>18,018,327</u>	<u>16,292,930</u>

## 5. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	10,599,887	10,012,658
Social security costs	1,469,035	1,113,753
Other pension costs	1,638,748	1,315,141
	<u>13,707,670</u>	<u>12,441,552</u>

### Number of Employees

	2023	2022
	No	No
The monthly average number of employees throughout the year was		
Administrative:	<u>191</u>	<u>189</u>

The Directors did not receive any emoluments in respect of their specific services provided as a Director of the Company (2022 – nil). The Directors are members of other entities within the University of Edinburgh group of companies: where payments are received by the Directors from such entities no re-charge of costs is made to the Company.

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	£	£
On bank deposits	<u>50,823</u>	<u>2,341</u>

## 7. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:	2023	2022
	£	£
Fees paid to the Independent Auditors:		
-Audit of these financial statements	<u>14,441</u>	<u>10,873</u>

## 8. TAX ON PROFIT

	2023	2022
	£	£
Current tax		
UK Corporation tax on profit for the year	<u>-</u>	<u>-</u>

## Edinburgh Innovations Limited

Factors affecting tax (credit)/charge for the year	2023 £	2022 £
Profit before taxation	1,046,344	2,317,444
Gift Aid distribution to University of Edinburgh paid during the year	(1,295,020)	(978,541)
Gift Aid distribution still to be paid to University of Edinburgh	248,676	(1,338,903)
Tax charge at UK Corporation tax rate of 19% (2022: 19%)	-	-
Effects of release of prior year provision	-	-
<b>Tax charge / (credit) for year</b>	<b>-</b>	<b>-</b>

The Gift Aid distribution still to be paid to the University of Edinburgh is due to be paid within nine months of the year end, and as such will not be subject to corporation tax.

### 9. TANGIBLE ASSETS

	Land £	Leasehold Improvements £	Computer Hardware and software £	Office Furniture and equipment £	Total
<b>Cost</b>					
At 1 August 2022	248,800	123,957	99,538	81,120	553,415
Additions	-	5,996	-	-	5,996
At 31 July 2023	248,800	129,953	99,538	81,120	559,411
<b>Accumulated depreciation</b>					
At 1 August 2022	248,800	123,957	99,538	81,120	553,415
Charge for year	-	999	-	-	999
At 31 July 2023	248,800	124,956	99,538	81,120	554,414
<b>Net book value</b>					
At 31 July 2023	-	4,997	-	-	4,997
At 31 July 2022	-	-	-	-	-

### 10. INVESTMENTS

	2023 £	2022 £
Investment in subsidiary	1	1

# Edinburgh Innovations Limited

The company holds 100% of the issued share capital of Old College Capital GP Limited, a company registered in Scotland. The registered address of Old College Capital GP Limited is Old College, South Bridge, Edinburgh, EH8 9YL.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The financial statements contain information about Edinburgh Innovations Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, The University of Edinburgh.

## 11. DEBTORS

	2023	2022
	£	£
Trade debtors	1,951,685	2,582,796
Amounts owed by Group undertakings	1,483,441	921,677
Other debtors	52,733	37,683
Prepayments and accrued income	308,747	104,076
	<u>3,796,606</u>	<u>3,646,232</u>

## 12. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	258,501	314,216
Amounts owed to Group Undertakings	3,270,975	2,749,464
Other creditors	3,825,365	4,050,698
Taxation and social security	22,610	22,680
Accruals and deferred income	2,245,920	2,678,026
	<u>9,623,371</u>	<u>9,815,084</u>

## 13. CALLED UP SHARE CAPITAL

	2023 No	2023 £	2022 No	2022 £
<b>Authorised</b>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Allotted issued and fully paid</b>				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

#### 14. RECONCILIATION OF EQUITY

	<i>Called up Share Capital</i>	<i>Retained Earnings</i>	<i>Total Shareholders' Funds</i>
	£	£	£
At 1 August 2021	2	1,594,634	1,594,636
Profit for the financial year	-	2,317,444	2,317,444
Gift Aid distribution to parent	-	(2,298,152)	(2,298,152)
At 31 July 2022	2	1,613,926	1,613,928
At 1 August 2022	2	1,613,926	1,613,928
Profit for the financial year	-	1,046,344	1,046,344
Gift Aid distribution to parent	-	(2,481,016)	(2,481,016)
At 31 July 2023	2	179,254	179,256

#### 15. OTHER FINANCIAL COMMITMENTS

At 31 July the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<i>Land and Buildings 2023</i>	<i>Land and Buildings 2022</i>
	£	£
Payments due:		
Not later than one year	523,965	518,195
Later than one year and not later than five years	1,669,884	2,072,780
	2,193,849	2,590,975

#### 16. PENSIONS

The Company contributes to a defined contribution Group Personal Pension Plan, administered by Scottish Widows. Contributions to these funds by the Company on behalf of its employees during the year (including amounts payable under a salary exchange scheme) amounted to £1,638,748 (2022: £1,315,141). No retiree benefits from these schemes are accruing to any directors of the Company (2022: £nil). At 31 July 2023, no amount was outstanding (2022: £nil).

#### 17. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of the University of Edinburgh, it has taken advantage of the exemption contained in Section 33 of FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of the University of Edinburgh, within which this company is included, can be obtained from the address given in note 18. There are no other related party transactions requiring disclosure.

**18. ULTIMATE PARENT UNDERTAKING**

The immediate and ultimate parent undertaking and controlling party is The University of Edinburgh.

The University of Edinburgh is the parent undertaking of the largest and only group of undertakings to consolidate these financial statements for the year ended 31 July 2023. The consolidated financial statements of The University of Edinburgh are available from Old College, South Bridge, Edinburgh EH8 9YL.