

Company Registration Number: 01069886

**CAMBRIDGE ENTERPRISE LIMITED**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDING 31 JULY 2020**

# **CAMBRIDGE ENTERPRISE LIMITED**

## **CONTENTS**

DIRECTORS AND ADVISERS.....	2
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020 .....	3
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020.....	5
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE ENTERPRISE LIMITED.....	7
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020.....	10
BALANCE SHEET AS AT 31 JULY 2020.....	11
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020.....	12
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 .....	13

# **CAMBRIDGE ENTERPRISE LIMITED**

## **DIRECTORS AND ADVISERS**

### **DIRECTORS**

Ajay Chowdhury  
Dr Anthony Raven  
Dr Paul Seabright  
Dr Jane Osbourn  
Debapriya Purkayastha  
Professor Andrew Neely  
Mr Anthony Odgers  
Professor Russell Cowburn  
Professor Patrick Maxwell  
Annalisa Gigante

### **COMPANY SECRETARY**

Emma Rampton

### **REGISTERED OFFICE**

The Old Schools  
Trinity Lane  
Cambridge  
Cambridgeshire  
CB2 1TN

### **BANKERS**

Barclays Bank Plc  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA

### **INDEPENDENT AUDITORS**

Peters Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020**

The directors present their strategic report for the year ended 31 July 2020

### **REVIEW OF THE BUSINESS AND PRINCIPAL RISKS & UNCERTAINTIES**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company relate to the continued support and funding of technology transfer activities and the continued uptake of IP and know-how by organisations within the private sector both domestically and abroad, especially when considering the ongoing challenges presented by the uncertain global economic climate. The board has implemented policies to ensure that these risks are appropriately mitigated.

### **FUTURE DEVELOPMENTS**

The directors' intention is that the business will target growth in the service provided to University academics in the coming years with an aim to extend it across all Schools of the University of Cambridge and to engage with industry in a bid to effectively disseminate IP and know-how originating from University of Cambridge research.

The Company has a 100% shareholding in Cambridge University Technical Services Limited and Cambridge Enterprise Capital Limited but is not required to prepare consolidated financial statements in accordance with section 400 "Exemption for company included in EEA group accounts of larger group" of the Companies Act 2006 on the grounds that the results of both companies are included in the consolidated financial statements of the University of Cambridge. Copies of these financial statements can be obtained from the Company Secretary at The Old Schools, Trinity Lane, Cambridge, Cambridgeshire, CB2 1TN. A more comprehensive summary of group activities, including certain funds managed on behalf of the University of Cambridge, is published in the Cambridge Enterprise Annual Review. The Cambridge Enterprise Annual Review is made available on the company's website.

### **RESULTS AND DIVIDENDS**

The financial results for the Company show a loss for the financial year of £292,049 (2019: profit of £12,771,437 (restated)) and turnover of £3,940,111 (2019: £2,897,315). The net assets at the balance sheet date were £27,369,865 (2019: £27,661,914). The directors do not recommend payment of a dividend (2019: nil).

### **KEY PERFORMANCE INDICATORS ("KPIs")**

The main KPIs for the business are non-financial in nature and include: number of IP disclosures (number of instances of IP disclosed by academics in the year) 169 (2019: 189), number of signed licences 120 (2019: 118), number of patent applications 265 (2019: 208) and the number of active agreements (all active agreements as at 31 July 2020) 969 (2019: 1,099). The Company employed 77 persons (2019: 75) of which the full time equivalent (FTE) is 68 persons (2019: 64).

**STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2020  
(CONTINUED)**

**FINANCIAL RISK MANAGEMENT**

The Company's operations expose it to a variety of financial risks. The Company has in place a risk management programme that seeks to limit the adverse effect of these risks on the financial performance of the Company. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's Finance Department. The directors are of the opinion that disclosure of financial risk management policies is not material for the assessment of the entity's assets or liabilities, or the financial position of the business.

Approved by the Board of Directors and authorised for issue on 27th January 2021 and signed on behalf of the Board.

A handwritten signature in black ink, appearing to read 'A. Raven', written in a cursive style.

Dr Anthony Raven  
**Director**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020**

The directors present their report and the audited financial statements of the Company for the year ended 31 July 2020.

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company was that of the commercial exploitation of intellectual property generated in the University of Cambridge.

The Company will make a gift aid payment to the University of Cambridge of £nil (2019: £6,514,103).

The directors do not recommend payment of a dividend (2019: nil).

Future developments and financial risk management are disclosed within the Strategic Report on page three.

### **DIRECTORS**

The directors who served during the year and up to the date of signing the financial statements were as follows:

Mr Charles Cotton (resigned 17 December 2020)

Dr Anthony Raven

Professor Alan Blackwell (resigned 19 September 2019)

Professor Sir Keith O'Nions (resigned 31 December 2019)

Dr Paul Seabright

Dr Jane Osbourn

Mr Debapriya Purkayastha

Professor Andrew Neely

Mr Anthony Odgers

Professor Anna Griffiths (resigned 17 December 2020)

Professor Russell Cowburn

Professor Patrick Maxwell

Ajay Chowdhury (appointed 1 January 2020)

Annalisa Gigante (appointed 2 April 2020)

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2020  
(CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

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.

**DIRECTORS' INDEMNITIES**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

**DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Directors and authorised for issue on 27th January 2021 and signed on behalf of the Board.



Dr Anthony Raven  
**Director**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE ENTERPRISE LIMITED**

### **Opinion**

We have audited the financial statements of Cambridge Enterprise Limited (the 'Company') for the year ended 31 July 2020, which comprise the Statement of Total Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 financial statements in the United Kingdom, including the Financial Reporting Council'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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

### **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 Auditors' 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 this regard.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIDGE ENTERPRISE LIMITED (CONTINUED)**

### **OPINION ON THE OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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 material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 the 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.

### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement on page 5, 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.

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 has 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.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
CAMBRIDGE ENTERPRISE LIMITED (CONTINUED)**

**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 Auditors' 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.



Kelly Bretherick (Senior Statutory Auditor)

for and on behalf of

**Peters Elworthy & Moore**

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 28 January 2021

# CAMBRIDGE ENTERPRISE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	Restated 2019 £
<b>TURNOVER</b>	5	3,940,111	2,897,315
Cost of sales		(2,676,435)	(1,619,703)
Gross profit		1,263,676	1,277,612
<b>ADMINISTRATIVE EXPENSES:</b>			
Amounts payable and paid to the University of Cambridge representing the departmental share of distributions		(724,809)	(597,894)
Other administrative expenses		(5,786,679)	(7,412,214)
Total administrative expenses		(6,511,488)	(8,010,108)
Other operating income		4,523,610	4,490,535
<b>OPERATING (LOSS)/PROFIT</b>	6	(724,202)	(2,241,961)
Income from fixed asset investments	12	500,649	7,049,088
Revaluation of fixed asset investments	12	(89,354)	7,933,257
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		(312,907)	12,740,384
Interest receivable and similar income	8	50,942	45,687
Interest payable and similar expenses	8	(30,084)	(14,634)
Net interest income	8	20,858	31,053
<b>PROFIT BEFORE TAXATION</b>		(292,049)	12,771,437
Tax on profit	9	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		(292,049)	12,771,437

All activities derive from continuing operations.

The notes on pages 13 to 27 form an integral part of these financial statements.

**CAMBRIDGE ENTERPRISE LIMITED**

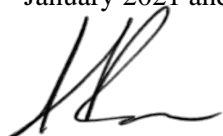
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020  
(CONTINUED)**

**BALANCE SHEET AS AT 31 JULY 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Intangible assets	10	337,409	430,641
Tangible assets	11	44,737	96,458
Investments	12	27,182,870	26,584,458
		<u>27,565,016</u>	<u>27,111,557</u>
<b>CURRENT ASSETS</b>			
Debtors	13	3,676,588	3,074,127
Cash at bank and in hand		2,737,577	9,889,177
		<u>6,414,165</u>	<u>12,963,304</u>
CREDITORS: amounts falling due within one year	14	(5,442,013)	(10,544,362)
<b>NET CURRENT ASSETS</b>		<u>972,152</u>	<u>2,418,942</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,537,168</u>	<u>29,530,499</u>
CREDITORS: amounts falling due after more than one year	15	(1,167,303)	(1,868,585)
<b>NET ASSETS</b>		<u>27,369,865</u>	<u>27,661,914</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	3,333,335	3,333,335
Revaluation reserve		3,514,824	3,514,824
Profit and loss account		20,521,706	20,813,755
<b>TOTAL EQUITY</b>		<u>27,369,865</u>	<u>27,661,914</u>

The notes on pages 13 to 27 form an integral part of these financial statements.

These financial statements on pages 10 to 27 were approved by the Board of Directors on 27th January 2021 and signed on its behalf by



Dr Anthony Raven  
**Director**

Company Registration Number. 01069886

**CAMBRIDGE ENTERPRISE LIMITED****FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020  
(CONTINUED)****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020**

	<b>Called up share capital £</b>	<b>Revaluation Reserve £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
Balance at 1 August 2019	3,333,335	5,800,724	15,288,664	24,422,723
Revaluation Reserve correction adjustment	-	732,243	(732,243)	-
Total comprehensive income for the financial year	-	-	12,771,437	12,771,437
Investments disposed of in year	-	(3,018,143)	-	(3,018,143)
Charitable donation for the year	-	-	(6,514,103)	(6,514,103)
Balance at 31 July 2019	3,333,335	3,514,824	20,813,755	27,661,914
Balance at 1 August 2019	3,333,335	3,514,824	20,813,755	27,661,914
Total comprehensive income for the financial year	-	-	(292,049)	(292,049)
Balance at 31 July 2020	3,333,335	3,514,824	20,521,706	27,369,865

The notes on pages 13 to 27 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2020**

**1. GENERAL INFORMATION**

Cambridge Enterprise Limited is the technology transfer office for the University of Cambridge, established to aid the transfer of knowledge from the University through commercialisation and supporting research initiatives as they relate to consultancy, intellectual property management and the creation of spin-out companies.

The company is a private company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is The Old Schools, Trinity Lane, Cambridge, Cambridgeshire CB2 1TN.

**2. STATEMENT OF COMPLIANCE**

The financial statements of Cambridge Enterprise Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS 102”) and the Companies Act 2006.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of Preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**Going Concern**

The company meets its day to day working capital requirements through its bank facilities. The Company’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. The directors have received confirmation that the University of Cambridge intends to support the Company for at least one year after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Exemptions for qualifying entities under FRS 102

The company is a wholly-owned subsidiary of the University of Cambridge and is included in the consolidated financial statements of the University of Cambridge, which are publicly available. FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company shareholders. The company has taken advantage of the following exemptions in FRS 102:

- (i) from preparing a statement of cash flows, as stated in Section 7 of FRS 102: *Statement of Cash Flows* and paragraph 3.17(d) of FRS 102: *Financial Statement Presentation*, on the basis that it is a qualifying entity.
- (ii) from disclosing transactions with other wholly owned Group companies as stated in paragraph 33.1A of FRS 102: *Related Party Disclosures*.
- (iii) from disclosing detailed information on financial instruments as set out in paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c) of FRS 102: *Basic Financial Instruments*; and paragraphs 12.26, 12.27, 12.9(a), 12.29(b) and 12.29A of FRS 102: *Other Financial Instruments Issues*, on the basis that it is a qualifying entity and disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the Group in which this entity is consolidated.

#### Consolidated financial statements

The Company is a wholly owned subsidiary of the University of Cambridge. It is included in the consolidated financial statements of the University of Cambridge which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

#### Foreign currency

The Company's functional and presentation currency is GBP. Foreign currency transactions are translated into the functional currency using spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions are recognised in the statement of comprehensive income.

#### Turnover

Turnover principally represents amounts invoiced for the provision of services which fall within the Company's ordinary activities, net of value added tax. The services provided by Cambridge Enterprise Limited comprise the assessment and protection of the University of Cambridge IP assets, the identification of a commercial partner, agreement of commercial terms, billing in accordance with contract terms, cash collection and distribution of income to inventors and University departments in accordance with the University IPR policy after the cash is collected. Turnover and profits are recognised on completion of the relevant aspect of the service.

#### Other operating income

Other operating income comprises University funding, patent and proof of concept reimbursement, seed funds management fee, recharges of cost and sponsorship income and is recognised on a retrospective basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Employee benefits**

The Company provides a range of benefits to employees, including paid holiday arrangements and multi-employer pension plans.

##### *(i) Short term benefits*

Short term benefits are recognised as an expense in the period in which the service is received. The Company recognises a cost for annual leave earned by employees as a result of services rendered in the current period, which employees are entitled to carry forward and use within the next twelve months. The accrual is measured at the salary cost payable for the period of absence.

##### *(ii) Pension costs*

The company is a member of two pension schemes. The Universities Superannuation Scheme (USS) is a multi-employer defined benefit scheme, accounted for as defined contribution as permitted for multi-employer plans for which sufficient information is not available to use defined benefit accounting. The Cambridge University Assistants' Contributory Pension Scheme (CPS) is a defined benefit scheme operated by the University of Cambridge, which is accounted for as defined contribution on the basis that it is not possible to separate the CEL employee assets from the other plan assets.

The assets of the schemes are held in separate trustee-administered funds. The USS and the CPS are not closed, nor is the age profile of their active membership rising significantly.

The schemes are defined benefit schemes which are valued every three years using the projected unit method, by professionally qualified actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

##### *Defined benefit pension scheme deficit provision*

As a deficit funding plan for the USS is in place, the company must therefore recognise a liability for the present value of the contributions payable that arise from that agreement (to the extent that they relate to the deficit) with the resulting expense recognised in the profit or loss. This provision is calculated using the parameters of the pension scheme itself in combination with those specific to the company. The company cannot be held liable for other entities' obligations in relation to the plan.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows:

Computer equipment	20% - 33%
Furniture and equipment	33%

Computer equipment includes assets associated with the website which are depreciated on a straight line basis over five years.

Assets in the course of construction are stated at cost. These assets are not depreciated until available for use.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Intangible fixed assets and amortisation**

Intangible fixed assets are stated at historic purchase cost less accumulated and accumulated impairment losses. Cost includes the original purchase price, costs attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset on a straight line basis as follows:

CRM system	20%
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#### **Leased assets**

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### **Investments**

##### *(i) Investments in associates & subsidiary undertakings*

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

##### *(ii) Investment in technology spin-outs*

Investments are held at fair value, as per the guidelines set out in the International Private Equity and Venture Capital Guidelines December 2015. Gains and losses arising on revaluation of investments, other than subsidiary undertakings, are taken to the profit and loss account.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

#### **Share capital**

Ordinary shares are classified as equity. No other class of share has been issued by the Company.

#### **Distributions to equity holders**

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the year which the dividends or other distributions are approved by the company shareholders. These amounts are recognised in the statement of changes in equity.

Donations made to parent charities by companies are legally considered distributions.

Accordingly, it is not allowable for the donation to exceed the amount of profit available for distribution under the Companies Act 2006. The company's policy is therefore to distribute an amount of profit that will not exceed the amount allowable for distribution.

#### **Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (a) Multi-employer defined benefit pension scheme

FRS 102 requires a liability to be recognised for the present value of the pension contributions payable that arise from the USS pension deficit agreement (to the extent that they relate to the deficit) with the resulting expense recognised in the profit or loss.

The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

#### (b) Investment valuation

The Company makes valuation estimates for all current shareholdings in its investment portfolio, at the end of each financial year. The Company follows British Private Equity & Venture Capital Association guidelines when valuing investments in private companies. For non-profitable private companies this is generally at price at last transaction (PALT), or discounted PALT with a 10% discount for each preference share class that sits above the investment. For profitable companies, valuation is made using an equivalent public company price-earnings ratio, but with an industry standard 30% discount applied to private company investments or public company investments with liquidity constraints. Investments in public companies are valued at the market rate as at the end of the financial year or a rate closest to the year end date.

### 5. TURNOVER

Analysis of turnover by geography:

	2020	2019
	£	£
United Kingdom	1,620,922	590,457
USA	1,693,816	1,122,151
Europe	239,917	156,760
Rest of World	385,456	1,027,947
	<u>3,940,111</u>	<u>2,897,315</u>

Analysis of turnover by category:

	2020	2019
	£	£
Licence & royalty income	3,939,611	2,897,315
Other income	500	-
	<u>3,940,111</u>	<u>2,897,315</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 6. OPERATING (LOSS)/PROFIT

	2020 £	2019 £
<b>Operating (loss)/profit is after charging/(crediting):</b>		
Wages and salaries	3,350,243	3,230,702
Social security costs	328,513	321,130
Other pension costs	665,769	576,262
Net accrued annual leave costs	34,880	26,768
USS pension deficit costs/(income)	(731,365)	1,188,783
<b>Staff costs</b>	<b>3,648,040</b>	<b>5,343,645</b>
Depreciation charge for the year	76,945	82,048
Amortisation charge for the year	96,403	47,849
Operating lease charges	3,379	3,557
Audit fees payable to the Company's auditor	14,750	17,500

### 7. EMPLOYEES AND DIRECTORS

#### Employees

The average monthly numbers of persons (including executive directors) employed by the Company during the year was:

	2020 No	2019 No
Licencing	17	17
Consultancy	6	6
Seed Funds	7	5
Support and Administrative Staff	28	26
Management Team	<u>10</u>	<u>10</u>
Total	<u>68</u>	<u>64</u>

#### Directors

The emoluments of the highest paid director were as follows:

	2020 £	2019 £
Aggregate emoluments	186,919	183,614
Company contributions to defined benefit pension scheme	<u>38,941</u>	<u>33,969</u>
	<u>225,860</u>	<u>217,583</u>

The emoluments of all of the directors were as follows:

	2020 £	2019 £
Aggregate emoluments	287,476	282,393
Company contributions to defined benefit pension scheme	<u>59,890</u>	<u>52,243</u>
	<u>347,366</u>	<u>334,636</u>

Post-employment benefits are accruing for two directors (2019: 2) under a multi-employer pension scheme. No directors (2019: none) were members of the group pension scheme.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 8. NET INTEREST INCOME

#### Interest receivable and similar income

	2020 £	2019 £
Bank interest	50,942	45,687
Total interest receivable and similar income	50,942	45,687

#### Interest payable and similar expenses

	2020 £	2019 £
Unwinding of discount rate for USS deficit recovery	(30,084)	(14,634)
Total interest payable and similar charges	(30,084)	(14,634)

#### Net interest income

	2020 £	2019 £
Interest receivable and similar income	50,942	45,687
Interest payable and similar charges	(30,084)	(14,634)
Net interest income	20,858	31,053

### 9. TAX ON PROFIT

#### Tax expense included in profit or loss

	2020 £	2019 £
<i>Current tax:</i>		
UK corporation tax on profits for the year	-	-
Total current tax	-	-
<i>Deferred tax:</i>		
Origination and reversal of timing difference	-	-
Total deferred tax	-	-
Tax on profit	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 9. TAX ON PROFIT (CONTINUED)

#### Reconciliation of tax charge

Tax assessed for the year is at the standard rate of corporation tax in the UK for the year ended 31 July 2020 of % (2019: 19%). The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	(292,049)	12,771,437
Profit multiplied by the standard rate of tax % (2019: 19%)	(55,489)	2,426,573
Effects of:		
- Expenses not tax deductible	(89,118)	458,811
- Income not subject to tax	(5,024)	(171)
- Partnership losses from share of joint venture	(149,865)	(83,673)
- Qualifying charitable donation in the year	-	(1,237,680)
- Accelerated capital allowances	(31,913)	(56,541)
- Revaluation of investments	16,977	(1,507,319)
- Taxable deductible losses	314,432	-
Total tax charge for the year	-	-

### 10. INTANGIBLE ASSETS

	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 August 2019	478,490
Additions	3,171
	<hr/>
At 31 July 2020	481,661
	<hr/>
<b>Accumulated depreciation</b>	
At 1 August 2019	47,849
Charge for the year	96,403
	<hr/>
At 31 July 2020	144,252
	<hr/>
<b>Net book value at 31 July 2020</b>	<b>337,409</b>
	<hr/>
Net book value at 31 July 2019	430,641

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 11. TANGIBLE ASSETS

	<b>Furniture and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 August 2019	117,691	399,306	516,997
Additions	-	25,224	25,224
Disposals	(657)	(166,178)	(166,835)
<b>At 31 July 2020</b>	<b>117,034</b>	<b>258,352</b>	<b>375,386</b>
<b>Accumulated depreciation</b>			
At 1 August 2019	74,363	346,176	420,539
Charge for the year	37,153	39,792	76,945
Disposals	(657)	(166,178)	(166,835)
<b>At 31 July 2020</b>	<b>110,859</b>	<b>219,790</b>	<b>330,649</b>
<b>Net book value at 31 July 2020</b>	<b>6,175</b>	<b>38,562</b>	<b>44,737</b>
Net book value at 31 July 2019	43,328	53,130	96,458

### 12. INVESTMENTS

	<b>2020 £</b>	<b>2019 £</b>
As at 1 August	26,584,458	22,044,324
Additions	687,773	645,993
Disposals (cost)	(7)	(1,020,973)
Disposals (valuation)	-	(3,018,143)
Revaluations	(89,354)	7,933,257
<b>As at 31 July</b>	<b>27,182,870</b>	<b>26,584,458</b>

Fixed asset investments comprise of wholly owned subsidiaries Cambridge University Technical Services Limited and Cambridge Enterprise Capital Limited, associate Apollo Therapeutics LLP and shares in sixty one investments, two of which are publicly traded. The company part disposed of one investment via share transfer, in the year. Income from fixed asset investments recognised in the profit and loss account during the year totaled £500,649, of which £474,207 related to deferred payment for disposals of investments in previous years and £26,442 related to dividend.

#### Subsidiaries:

	<b>2020 £</b>	<b>2019 £</b>
Cambridge University Technical Services Limited	1	1
Cambridge Enterprise Capital Limited	1	1
	<b>2</b>	<b>2</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 12. INVESTMENTS (CONTINUED)

#### *Cambridge University Technical Services Limited*

The Company owns 100% of the equity share capital of Cambridge University Technical Services Limited. Cambridge University Technical Services Limited is incorporated in the UK. The registered office address for Cambridge Technical Services Limited is The Old Schools, Trinity Lane, Cambridge, CB2 1TN. The Company received no dividend from Cambridge University Technical Services Limited in the year (2019: nil). The result for the year for Cambridge University Technical Services Limited was a profit of £502,140 (2019: £184). The year end share capital was £1 (2019: £1) and reserves position was net assets of £1,262 (2019: £686).

#### *Cambridge Enterprise Capital Limited*

The Company owns 100% of the equity share capital of Cambridge Enterprise Capital Limited. Cambridge Enterprise Capital Limited is incorporated in the UK. The registered office address for Cambridge Enterprise Capital Limited is The Entrepreneurship Centre, Hauser Forum, 3 Charles Babbage Road, Cambridge, CB3 0GT. The Company received no dividend from Cambridge Enterprise Capital Limited in the year (2019: nil). Cambridge Enterprise Capital Limited is a dormant company therefore no results were recorded for the year (2019: £nil). The year end share capital was £1 (2019: £1) and reserves position was £nil (2019: £nil).

#### Associates:

	2020 £	2019 £
Apollo Therapeutics LLP	2,382,826	1,695,196
	<hr/> 2,382,826	<hr/> 1,695,196

#### *Apollo Therapeutics LLP*

The Company invested £687,630 (2019: £644,480) in Apollo Therapeutics LLP in the year and holds an 8.33% share of the partnership. Apollo Therapeutics LLP is registered in the UK.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

## 12. INVESTMENTS (CONTINUED)

	Carrying value 2020	Carrying value 2019
	£	£
8Power Limited	2,340	2,340
Accelerator Advisory Limited	1	None
Apcintex Limited	982,536	982,536
AQdot Limited	202,219	202,219
ArcticAX Inc	48,385	48,385
Arquer Diagnostics Limited	51,962	51,962
Cambridge Allergy Limited	382,375	357,523
Cambridge Epigenetix Limited	3,758,033	3,774,886
Cambridge Flow Solutions Limited	203,422	203,422
Cambridge GAN Devices Limited	214,200	214,200
Cambridge Graphene Limited	3	3
Cambridge InnoVision Limited	5	5
Cambridge Photon Technology Limited	13,904	Nil
Cambridge Raman Imaging Limited	1	None
CamFridge Limited	Nil	Nil
CEDAR Audio Limited	99,012	353,766
CellCentric Limited	44,793	44,793
Chroma Therapeutics Limited	172	172
Deepmatter Group plc	486	724
Definigen Limited	550,800	612,000
De Novo Pharmaceuticals Limited	Nil	Nil
Diagnostics for the Real World Limited	4,429,497	4,921,663
Diosynvax Limited	597,880	None
Energy Fluids Limited	3	3
Enval Limited	17,668	122,597
Epsilon-3 Bio Limited	Nil	Nil
Exvastat Limited	40,500	45,000
Fibrecore Developments Limited	1	1
Flusso Limited	236,957	150,000
Gas Recovery and Recycle Limited	Nil	Nil
Graphene Platform Corporation	376,078	212,800
Graphion Cambridge Technology Limited	Nil	68
Gyroscope Therapeutics Limited	630,000	450,000
Helio Display Materials Limited	236,250	262,500
iLexIR Limited	20,396	151,548
Immaterial Limited	51,240	None
Inotec AMD Limited	746	442
InputDynamics Limited	Nil	Nil
Kalium Health Limited	113,600	None
Light Blue Optics Limited	Nil	Nil
Metalysis Limited	Nil	Nil
Microbial Technics Limited	Nil	Nil
Mission Therapeutics Limited	187,646	187,646
MorphogenIX Limited	1,862,688	1,862,688
Myosotis LLC	Nil	Nil
Neophore Limited	63,261	63,261



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 12. INVESTMENTS (CONTINUED)

	Carrying value 2020 £	Carrying value 2019 £
Paragraf Limited	227,400	227,400
Phoremot Limited	290,652	322,946
Polypharmakos Limited	Nil	Nil
Polyprox Therapeutics Limited	577,805	727,200
PredictImmune Limited	2,695,245	2,695,245
ROADMap Systems Limited	543,600	543,575
Silicon Microgravity Limited	369,600	369,600
SMAP Energy Limited	24,500	35,000
Sphere Fluidics Limited	2,451,317	2,451,317
Storm Therapeutics Limited	328,577	365,085
Tarsis Technology Limited	12	12
TeraView Limited	Nil	Nil
The CRISP Consortium Limited	Nil	405
Water Intelligence plc	1,493	1,541
Z Factor Limited	<u>1,870,781</u>	<u>1,870,781</u>
	<u>24,800,042</u>	<u>24,889,260</u>

*Nil*: investment valued at nil in the year;

*None*: investment did not exist in the year.

### 13. DEBTORS

	2020 £	2019 £
Trade debtors	451,907	390,023
Amounts owed by group undertakings	2,374,669	2,496,293
Other debtors	68,995	39,497
Prepayments	60,830	46,255
Accrued income	720,187	102,059
	<u>3,676,588</u>	<u>3,074,127</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of payment and are payable on demand.

Trade debtors are stated after provisions for impairment of £nil (2019: £nil)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	270,563	216,042
Amounts owed to group undertakings	799,261	6,939,476
Other creditors	354,138	1,094,637
Annual holiday pay accrual	153,697	118,817
Accruals and deferred income	3,864,354	2,175,390
	<u>5,442,013</u>	<u>10,544,362</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of payment and are payable on demand.

Annual holiday pay accrual is the provision for holiday accrued but unused as at 31 July 2020 less holiday taken in advance of being accrued, for all employees. The holiday year for the Company runs from 1 October 2019 to 30 September 2020.

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
<b>Amounts falling due after more than five years</b>		
Provision for pension deficit recovery payments	1,167,303	1,868,585
	<u>1,167,303</u>	<u>1,868,585</u>

### 16. POST EMPLOYMENT BENEFITS

The company operates two pension schemes for its employees. The amount recognised in the Balance Sheet is as follows:

		2020	2019
		£	£
Group scheme liability (CPS)	(a)	Nil	Nil
Multi-employer scheme liability (USS)	(b)	1,167,303	1,868,585
		<u>1,167,303</u>	<u>1,868,585</u>

The amount recognised in the profit and loss account is as follows:

		2020	2019
		£	£
Group Scheme liability (CPS)	(a)	153,264	120,880
Multi-employer scheme liability (USS)	(b)	(188,776)	1,668,767
		<u>(35,512)</u>	<u>1,789,647</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

### 16. POST EMPLOYMENT BENEFITS (CONTINUED)

The multi-employer scheme liability (USS) is in respect of the USS deficit recovery plan. The movements in the year are as follows:

	2020	2019
	£	£
Balance as at 1 August	1,868,585	665,167
Contributions	(44,075)	(35,216)
Interest on liability (note 8)	30,084	14,634
Change in underlying assumptions	(687,291)	1,224,000
Balance as at 31 July	1,167,303	1,868,585

### 17. CALLED UP SHARE CAPITAL

#### Ordinary shares of £1 each

	2020	2019
	£	£
<b>Allotted and in issue</b>		
At 1 August	3,333,335	3,333,335
Issued during the year		-
At 31 July	3,333,335	3,333,335

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

### 18. CAPITAL AND OTHER COMMITMENTS

At 31 July 2020, the Company has the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Lease payments not later than one year	2,781	3,379
Lease payments later than one year and not later than five years	5,275	8,055
Lease payments later than five years	Nil	Nil

The Company had no off balance sheet contingencies or other commitments at 31 July 2020 (2019: £nil).

### 19. RELATED PARTY TRANSACTIONS

In the year catering services were procured by Cambridge Enterprise from the following colleges connected with the University of Cambridge:

<i>Institution</i>	<i>Amount</i>
Clare College Conferences Ltd	£6,015
Corpus Conferences Ltd	£2,851
Downing Cambridge Conferences Ltd	£2,862
Kings College Cambridge	£2,079
Selwyn College	£2,561

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 JULY 2020 (CONTINUED)**

**19. RELATED PARTY TRANSACTIONS (CONTINUED)**

In the year income distributions, as per applicable IP policies, were made by Cambridge Enterprise to the following colleges connected with the University of Cambridge:

<i>Institution</i>	<i>Amount</i>
Christ's College	£122
Magdalene College	£640
Professor Richard Penty	£563
Sidney Sussex College	£759

As at 31st of July 2020, there were no outstanding balances with regards to related parties of Cambridge Enterprise.

**20. CONTROLLING PARTIES**

The immediate parent undertaking is the University of Cambridge.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is the University of Cambridge. Copies of the University of Cambridge consolidated financial statements can be obtained from the Company Secretary at The Old Schools, Trinity Lane, Cambridge, Cambridgeshire, CB2 1TN. The ultimate controlling party is the University of Cambridge.

**21. PRIOR YEAR ADJUSTMENT**

The gift aid payment to the University of Cambridge has been reclassified as a distribution under the Deed of Covenant in place and the prior year payment has been restated in line with this decision.