



**Subsidiary & Associated Companies: Financials 2019/20**

<b>Outcome requested:</b>	Finance and Investment Committee is invited to <b>note</b> the paper.
<b>Executive Summary:</b>	<p>Appendix 1 provides a financial summary of the results for financial year 2019/20 of the subsidiary and associated companies.</p> <p>The main points of note are:</p> <p>QMB's profit for the year arose from the recognition of a deferred tax asset and higher rental income following a vacancy in the QMB Innovation Centre. The exceptional profit in the prior year is mainly attributed to the initial recognition of the deferred tax asset.</p> <p>The Maltese company is used to deliver the Medicine MBBS course taught in Malta. Delays in reaching compensation agreements with the Maltese parties following Covid-19 led to lower income being recorded in the year.</p> <p>Generally, the associated spinout companies are in the growth phase of their development and this explains their loss making nature. The spinouts are funded by external investors, with QMUL obtaining its shareholding from the transfer of its IP on incorporation. QMUL does not provide seed funding to its spinouts. Usually spinouts become profitable when they mature and after further funding rounds, by which time they are no longer classified as Associates.</p>
<b>QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]</b>	<p>Aim 2: Research</p> <p>Aim 4: International</p> <p>Aim 6: Sustainability</p>
<b>Internal/External regulatory/statutory reference points:</b>	Companies Act and Charities Act for UK entities and related statutory requirements for overseas companies.
<b>Strategic Risks:</b>	<p>6 – Innovation and impact</p> <p>11 – Sustainable income streams for activities</p> <p>12 – Cost control, VFM and expenditure</p> <p>13 – Maintain effective and constructive governance</p>
<b>Equality Impact Assessment:</b>	n/a
<b>Subject to prior and onward consideration by:</b>	No
<b>Confidential paper under FOIA/DPA</b>	No
<b>Timing:</b>	Annual report to Committee

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<b>Date:</b>	23 <sup>rd</sup> October 2020
<b>Senior Management/External Sponsor</b>	Louise Parr-Morley Interim Director of Finance

**Appendix 1**  
**Subsidiary & Associated Companies: Financials 2019-20**

	Country of Registration	Purpose	QM Equity Shareholding	Financial Year (FY)	Cash Balance for the Prior Year	Cash Balance for the FY	Cash Movement in the Year	Income for the Prior Year	Income for the FY	Profit/(Loss) for the Prior Year	Profit/(Loss) for the FY	Budget Profit/(Loss) for the FY	Variance
<b>Subsidiary Companies</b>													
Mary Education Management Advisory (Beijing) Co. Limited	China	Educational	100%	31/12/2019	£282,901	£279,403	(£3,498)	£464,858	£672,308	£36,141	£26,276	£25,700	£576
Nanoforce Technology Limited	UK	Business	100%	31/07/2020	£214,139	£82,945	(£131,194)	£172,638	£79,960	(£51,060)	(£62,033)	(£18,104)	(£43,929)
People's Palace Projects	UK	Arts charity	100%	31/07/2020	£72,628	£44,596	(£28,032)	£762,398	£840,844	£24,856	£594	£119	£475
Q.M.W. Developments Limited	UK	Campus Development	100%	31/07/2020	£1,985	£1,985	£0	£0	£0	(£4,298)	(£3,850)	not prepared	-
Queen Mary Bioenterprises Limited	UK	Business	100%	31/07/2020	£1,988,242	£2,587,763	£599,521	£2,885,027	£2,690,344	£2,430,739	£245,521	(£466,640)	£712,161
Queen Mary Innovation Limited	UK	Business	100%	31/07/2020	£73,588	£44,256	(£29,332)	£1,277,494	£1,264,251	(£43,047)	£150,016	£21,023	£128,993
Queen Mary Research and Consulting (Hong Kong) Limited	Hong Kong	Holding	100%	31/07/2020	£81,714	£79,333	(£2,381)	£21,957	£15,589	£11,564	£11,117	not prepared	-
Queen Mary Research Laboratories (Macau) Limited	Macau	Business	100%	31/12/2019	£266,998	£181,926	(£85,072)	£244,920	£234,275	£7,466	(£74,724)	not prepared	-
Queen Mary University of London Foundation	UK	Fundraising	100%	31/07/2020	£339,651	£629,057	£289,406	£582,178	£1,221,510	£106,580	£317,774	not prepared	-
Queen Mary University of London Holdings Limited	Malta	Holding	100%	31/07/2020	£0	£0	£0	£0	£0	(£3,191)	£0	not prepared	-
Queen Mary University of London - Malta Limited	Malta	Educational	100%	31/07/2020	£0	£0	£0	£1,211,806	£1,418,000	(£1,324,000)	(£1,714,000)	(£559,000)	(£1,155,000)
<b>Associate Companies</b>													
Biomin Technologies Limited	UK	Business	20%	31/07/2020	£235,417	£151,892	(£83,525)	£448,020	£366,090	(£206,164)	(£424,752)		
Chromosol Limited	UK	Business	33%	30/06/2020	£30,074	£104,598	£74,524	£0	£0	(£34,107)	(£148,607)		
Degrasense Limited	UK	Business	48%	31/07/2020	£0	£0	£0	£0	£0	£0	£0		
Emdot Limited	UK	Business	28%	31/07/2020	£2,533	£2,033	(£500)	£0	£0	(£533)	(£500)		
Kinomica Limited	UK	Business	29%	30/06/2020	£501	£171,253	£170,752	£0	£312,965	(£42)	(£333,793)		
Resolomics Limited	UK	Business	30%	31/12/2019	£0	£0	£0	£0	£0	£0	(£9,768)		
Stealthyx Therapeutics Limited	UK	Business	43%	31/07/2020	£157,449	£121,282	(£36,167)	£0	£0	(£65,721)	(£60,937)		
Touchkeys Instruments Limited	UK	Business	32%	30/04/2020	£9,596	£4,114	(£5,482)	£6,620	£0	(£1,593)	(£5,639)		
Ultima Forma Limited	UK	Business	24%	31/03/2020	£0	£15,062	£15,062	£0	£7,177	£0	£758		
Varydose Limited	UK	Business	25%	31/01/2020	£48,393	£48,393	£0	£0	£0	£0	£0		
Vision Semantics Limited	UK	Business	25%	31/12/2019	£1,921,903	£1,582,991	(£338,912)	£268,808	£0	(£89,993)	(£307,732)		
Vision Semantics (HK) Limited	Hong Kong	Business	29%	31/12/2019	£0	£0	£0	£0	£0	£0	£0		
Warbir Limited	UK	Business	33%	31/07/2020	£4,946	£4,302	(£644)	£2,347	£2,815	(£2,149)	£2,559		
William Harvey Research Limited	UK	Fundraising	40%	31/03/2020	£173,431	£474,713	£301,282	£1,438,263	£1,424,095	(£18,490)	(£58,457)		

Notes on in year cash movements:

- <sup>a</sup> Loss for the year and timing differences between cash receipt and expenditure on grant project.
- <sup>b</sup> Timing differences on cash receipts around the current and prior year ends. Accounting profits arose from recognition of deferred tax asset.
- <sup>c</sup> Increased donations lead to a higher cash balance which will be transferred to QMUL in 2020/21.
- <sup>d</sup> New investment received in the year from Angel Investors.
- <sup>e</sup> Expenditure on internal development of software.
- <sup>f</sup> Timing differences on cash payments around the current and prior year ends.

Notes on budget variance:

- <sup>1</sup> Higher rent income achieved following a previous tenant vacating their floor.
- <sup>2</sup> Staff vacancies lead to higher profits.
- <sup>3</sup> Company was dissolved in early 2020.
- <sup>4</sup> Delays in finalising the compensation agreements with the Maltese parties following Covid-19 lead to lower income being recorded.