

**Sussex Innovation Centre Development
Limited**

**Directors report and financial statements
for the year ended 31st July 2016**

Registered Number: 2951828



Sussex Innovation Centre Development Limited

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Sussex Innovation Centre Development Limited

Director's report for the year ended 31st July 2016

The director presents his annual report and the audited financial statements for the year ended 31st July 2016.

Principal activities

The company's principal activity is to lease the Sussex Innovation Centre to Sussex Innovation Centre Management Limited.

The company makes provision for payment of its taxable profit to its parent undertaking by deed of covenant. During the year an amount of £nil was provided (2015: £nil).

The company has a freehold interest in the land and buildings of the Innovation Centre, which is financed by the University of Sussex, the company's ultimate parent. The Innovation Centre is central to the Enterprise Strategy of the University of Sussex and is an integral part of a wider regional development initiative supported by East Sussex County Council and Brighton & Hove City Council.

Business review

The company made a loss for the year of £232,833 (2015: loss £144,772). This brings the cumulative deficit at 31st July 2016 to £2,694,921.

The results for the year are considered satisfactory as the re-structure of the company's business agreements are such that lower rental income is received at the beginning.

Proposed Dividend

The director does not recommend the payment of a dividend. (2015: £nil)

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Sussex Innovation Centre Development Limited

Directors report (continued)

Directors

The director who held office during the year was as follows:

Richard Allan Spencer

The University of Sussex holds directly all the authorised and issued shares of the company.

Throughout the year the company has maintained a director's and officer's liability insurance policy.

The director receives no remuneration, fees or other emoluments from or on behalf of the company. (2015: £nil)

Auditor

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

By order of the board

University of Sussex
Sussex House
Falmer
Brighton
BN1 9RH

Reg no: 2951828



Mr. R. A. Spencer
Director

21-11-16

Date

Sussex Innovation Centre Development Limited

Statement of director's responsibilities in respect of the Director's report and the financial statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Sussex Innovation Centre Development Limited

Independent auditor's report to the members of Sussex Innovation Centre Development Limited

We have audited the financial statements of Sussex Innovation Centre Development Limited for the year ended 31st July 2016 which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and to express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of the financial statements is provided on the Financial Reporting Council's website at www.frc.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the director's report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

James Aston (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

*BDO LLP is a Limited Liability Partnership registered in England and Wales
(with registered number OC305127)*

BDO LLP

7 December 2016

Sussex Innovation Centre Development Limited

Profit and loss account for the year ended 31st July 2016

	<i>Notes</i>	2016	2015
		£	£
Turnover	<i>1</i>	82,096	82,096
Cost of sales		-	-
Gross profit		82,096	82,096
Administration expenses		(5,898)	(4,252)
Depreciation charge		(128,726)	(128,726)
Operating loss	<i>2</i>	(52,528)	(50,882)
Interest receivable and similar income	<i>6</i>	19,907	20,441
Interest payable and similar charges	<i>5</i>	(200,212)	(114,331)
Loss on ordinary activities before taxation	<i>2</i>	(232,833)	(144,772)
Tax on loss on ordinary activities	<i>7</i>	-	-
Loss for the financial year		(232,833)	(144,772)

The loss for the year and the previous year as set out above are derived entirely from continuing activities. The company has no recognised gains or losses other than those included in the profit and loss account. Therefore, no separate statement of total recognised gains and losses has been prepared.

The notes on pages 7 to 12 form part of these financial statements.

Sussex Innovation Centre Development Limited
Balance sheet as at 31st July 2016

	<i>Notes</i>	2016 £	2015 £
Fixed assets			
Land and buildings	8	3,950,934	4,079,660
Current assets			
Receivables from affiliates		-	24,983
Cash at bank and in Hand		25,057	30,620
		<u>25,057</u>	<u>55,603</u>
Creditors: amounts falling due within one year	9	(1,160,949)	(1,150,420)
Net current liabilities		(1,135,892)	(1,094,817)
Total assets less current liabilities		<u>2,815,042</u>	<u>2,984,843</u>
Creditors: amounts falling due after more than one year	10	(5,509,863)	(5,446,831)
Net liabilities		<u>(2,694,821)</u>	<u>(2,461,988)</u>
Called up share capital			
Equity share capital	12	100	100
Profit and loss account	13	(2,694,921)	(2,462,088)
Shareholders' deficit		<u>(2,694,821)</u>	<u>(2,461,988)</u>

These accounts have been prepared in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on 21.7.16 and were signed on its behalf by:



Mr. R. A. Spencer
Director
 Reg no: 2951828

The notes on pages 7 to 12 form part of these financial statements.

Sussex Innovation Centre Development Limited

Notes to the financial statements for the year ended 31st July 2016

1. Accounting Policies

The following accounting policies have been applied consistently to items considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

As the company is a wholly owned subsidiary of the University of Sussex, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of the University, within which the company is included, can be obtained from the address in note 16.

Going Concern

The financial statements have been prepared on a going concern basis as the ultimate parent undertaking, the University of Sussex, indicated that it intends to provide such funds and financial support to enable the company for twelve months from the date of signing these financial statements to trade and meet its liabilities as they fall due.

Turnover

Turnover represents the amounts, exclusive of Value Added Tax, attributable to the company's principle activity. Turnover from the principle activity is recognised when the service is provided. All turnover and profits are derived from activities within the United Kingdom.

Grants

Capital based grants are included in deferred income in the balance sheet and recognised in the profit and loss account over the useful economic lives of the assets to which they relate.

Tangible fixed assets

Depreciation on the leasehold property is provided on a straight line basis over 40 years to write the cost of the asset off over the length of the lease issued to the Company in respect of the land used that is owned by the University of Sussex.

Deferred Taxation

No provision has been made for deferred tax on the grounds that a deed of covenant has been put in place for the payment of taxable profits to the University of Sussex and therefore no deferred tax asset or liability will be realised by the Company. The company therefore has no taxable profit or tax charge for the year.

Sussex Innovation Centre Development Limited

Notes to the financial statements for the year ended 31st July 2016 continued –

2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2016	2015
	£	£
Auditors remuneration		
-Audit of these financial statements	1,900	1,920
Depreciation	128,726	128,726

3. Director's emoluments

The Director did not receive any emoluments (2015: £nil).

4. Staff numbers and cost

No staff are employed by the company (2015: nil).

5. Interest payable and similar charges

	2016	2015
	£	£
Loan interest	<u>200,212</u>	<u>114,331</u>

6. Interest receivable and similar income

	2016	2015
	£	£
Release of deferred capital grant	19,907	19,907
Interest received	-	534
	<u>19,907</u>	<u>20,441</u>

Sussex Innovation Centre Development Limited

Notes to the financial statements for the year ended 31st July 2016 continued –

7. Taxation

Analysis of tax charge in the period

	2016 £	2015 £
UK Corporation Tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period: The tax assessed for the period is lower (2015: lower than) the standard rate of corporation tax in the UK by 20% (2015: 20.67%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(232,833)	(144,772)
Loss at 20% (2015: 20.67%)	(46,567)	(29,924)
Capital allowances less than depreciation	25,745	26,608
Unrecognised tax loss	<u>20,822</u>	<u>3,316</u>
Tax for the period	<u>-</u>	<u>-</u>

A deferred tax asset of £96,184 (2015: £73,773) has not been accounted for due to uncertainty over future recoverability. The deferred tax asset arose primarily due to the availability of tax losses £480,922 (2015: £356,908).

Sussex Innovation Centre Development Limited

Notes to the financial statements for the year ended 31st July 2016 continued –

8. Tangible fixed assets: Leasehold property

	Total £
Cost	
At 1st August 2015	6,050,676
Additions	-
At 31st July 2016	<u>6,050,676</u>
Depreciation	
At 1st August 2015	1,971,016
Charge for the year	128,726
At 31st July 2016	<u>2,099,742</u>
Net book value	
At 31st July 2016	<u>3,950,934</u>
At 31st July 2015	<u>4,079,660</u>

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	156,568	146,624
Amounts owed to group undertakings	963,121	960,385
Other creditors	17,618	19,602
VAT	3,735	3,902
Deferred capital grant (see note 11)	19,907	19,907
	<u>1,160,949</u>	<u>1,150,420</u>

Amounts owed to Group undertakings are payable on demand and do not incur interest.

Sussex Innovation Centre Development Limited

Notes to the financial statements for the year ended 31st July 2016 continued –

10. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loan	998,986	1,155,553
Amounts owed to group undertakings	2,265,144	2,025,638
Deferred capital grant (see note 11)	445,733	465,640
Preference shares of £1 each	1,800,000	1,800,000
	<u>5,509,863</u>	<u>5,446,831</u>
	2016	2015
	£	£
Payments due on mortgages, leases and loans		
In one year or less	156,568	146,624
Between two and five years	730,975	687,681
In five years or more	268,010	467,872
	<u>1,155,553</u>	<u>1,302,177</u>

Amounts owed to Group undertakings incur interest at 6% over Base Rate.

The holders of preference shares have no right to participate in any dividend or other distribution nor are they entitled to receive notice of or to attend or vote at any general meetings of the company although on a return of assets on liquidation reduction of capital or otherwise the surplus of assets would first be applied in paying to the holders of the preference shares an amount per share equal to the subscription price paid.

11. Deferred capital grant

	2016	2015
	£	£
At 1st August	485,547	505,454
Released to profit and loss account	(19,907)	(19,907)
At 31st July	<u>465,640</u>	<u>485,547</u>

12. Share capital

	2016	2015
	£	£
<i>Authorised</i>		
Equity: ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: ordinary shares of £1 each	<u>100</u>	<u>100</u>

Sussex Innovation Centre Development Limited

Notes to the financial statements for the year ended 31st July 2016 continued –

13. Profit and loss account

	2016	2015
	£	£
At 1st August	(2,462,088)	(2,317,316)
Retained loss for the year	(232,833)	(144,772)
At 31st July	<u>(2,694,921)</u>	<u>(2,462,088)</u>

14. Reconciliation of movements in shareholders' deficit

	2016	2015
	£	£
Opening shareholders' deficit	(2,461,988)	(2,317,216)
Loss for the year	(232,833)	(144,772)
Closing shareholders' deficit	<u>(2,694,821)</u>	<u>(2,461,988)</u>

15. Related party disclosures

The company is controlled by its parent undertaking, the University of Sussex, which is also the ultimate controlling party. Amounts owed to the University of Sussex are shown in Notes 9 and 10.

During the year the company purchased services amounting to £82,096 (2015: £82,096) from Sussex Innovation Centre Management Limited a wholly owned subsidiary of the University of Sussex. These services were purchased on an arm's length basis. There were no amounts outstanding to the Company at the year-end (2015: £Nil).

16. Ultimate parent entity

The company is a subsidiary of the University of Sussex. The largest group in which the results of the company are consolidated is that headed by the University of Sussex. The consolidated accounts of the University are available to the public and may be obtained from the University of Sussex, Sussex House, Falmer, Brighton, BN1 9RH. No other group accounts include the results of the company.