

**SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

**Director's report and financial statements  
for the year ended 31 July 2019**

**Registered Number: 02951828**



# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

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# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JULY 2019**

The director presents his annual report and the audited financial statements for the year ended 31 July 2019.

### **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 (2018: £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 was 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 £150,732 (2018: loss £145,300). This brings the cumulative deficit at 31st July 2019 to £3,162,559.

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. (2018: £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

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)

### Director

The director's report has been prepared in accordance with the provisions applicable to small companies.

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

Mr Richard A. 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. (2018: £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.

This report has been prepared in accordance with the provisions of part 15 of the Companies Act 2016 relating to small companies.

By order of the board

University of Sussex  
Sussex House  
Falmer  
Brighton  
BN1 9RH

Reg no: 02951828



Mr Richard A. Spencer  
Director

20.11.2019

Date

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom 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 judgements and 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 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.

In preparing this Directors' Report advantage has been taken of the small companies' exemption.

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

### **Opinion**

We have audited the financial statements of Sussex Innovation Centre Development Limited ("the Company") for the year ended 31 July 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and 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 financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

### **Other information**

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

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED (CONTINUED)**

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.

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

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's 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 Director's 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 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 director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report.

### **Responsibilities of the Director**

As explained more fully in the statement of director's responsibilities, the director is 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 director determines 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 director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED (CONTINUED)

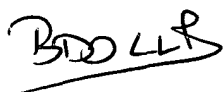
### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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



**James Aston** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom

Date: 26 November 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2019

	<i>Notes</i>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>1</b>	<b>102,096</b>	<b>102,096</b>
Cost of sales		-	-
<b>Gross profit</b>		<b>102,096</b>	<b>102,096</b>
Administration expenses		<b>(5,323)</b>	<b>(6,537)</b>
Depreciation charge		<b>(128,726)</b>	<b>(128,726)</b>
<b>Operating loss</b>	<b>2</b>	<b>(31,953)</b>	<b>(33,167)</b>
Interest receivable and similar income	<b>6</b>	<b>19,907</b>	<b>19,907</b>
Interest payable and similar charges	<b>5</b>	<b>(138,686)</b>	<b>(132,040)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(150,732)</b>	<b>(145,300)</b>
Taxation on loss on ordinary activities	<b>7</b>	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(150,732)</b>	<b>(145,300)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the financial year</b>		<b>(150,732)</b>	<b>(145,300)</b>

The loss for the year and the previous year as set out above are derived entirely from continuing activities.

The notes on pages 10-14 form part of these financial statements

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2019


	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Land and buildings	8		3,564,756		3,693,482
<b>Current assets</b>					
Cash at bank and in hand		8,275		34,483	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,191,738)</u>		<u>(1,175,927)</u>	
<b>Net current liabilities</b>			<u>(1,183,463)</u>		<u>(1,141,444)</u>
<b>Total assets less current liabilities</b>			<u>2,381,293</u>		<u>2,552,038</u>
<b>Creditors: amounts due after more than one year</b>	10		(5,543,752)		(5,563,765)
<b>Net liabilities</b>			<u>(3,162,459)</u>		<u>(3,011,727)</u>
<b>Called up share capital</b>	12		100		100
<b>Profit and loss account</b>			(3,162,559)		(3,011,827)
<b>Shareholder's deficit</b>			<u>(3,162,459)</u>		<u>(3,011,727)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

The financial statements were approved by the Board of Directors on its behalf by:

20 November 2019

and signed on

  
 .....  
 Mr Richard A. Spencer  
 Director  
 Reg no: 02951828

The notes on pages 10-14 form part of these financial statements.

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2019

	Share capital £'000	Profit and loss account £'000	Total £'000
<b>01 August 2017</b>	100	(2,866,527)	<b>(2,866,427)</b>
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(145,300)	<b>(145,300)</b>
<b>Total comprehensive loss for the year</b>	-	(145,300)	<b>(145,300)</b>
<b>31 July 2018</b>	<b>100</b>	<b>(3,011,827)</b>	<b>(3,011,727)</b>

	Share capital £'000	Profit and loss account £'000	Total £'000
<b>01 August 2018</b>	100	(3,011,827)	<b>(3,011,727)</b>
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(150,732)	<b>(150,732)</b>
<b>Total comprehensive loss for the year</b>	-	(150,732)	<b>(150,732)</b>
<b>31 July 2019</b>	<b>100</b>	<b>(3,162,559)</b>	<b>(3,162,459)</b>

The notes on pages 10-14 form part of these financial statements.

# **SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019**

### **1. Accounting Policies**

#### **Basis of preparation**

The financial statements have been prepared under the historic cost convention. The preparation of financial statements in compliance with FRS102 section 1A Small Entities requires the use of certain critical accounting estimates. The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments relevant to the company;
- the requirements of Section 12 Other Financial Instruments relevant to the company;
- the requirements of Section 33 Related Party Disclosures 33.11

It also requires management to exercise judgement in applying accounting policies. The following principles have been applied:

#### **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 statement of financial position and recognised in the statement of comprehensive income over the useful economic lives of the assets to which they relate.

#### **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 31 JULY 2019 (CONTINUED)

### Depreciation

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range is as follows:

Leasehold property - over the term of the lease

### 2. Operating loss on ordinary activities before taxation

Operating loss on ordinary activities before taxation is stated after charging:

	2019	2018
	£	£
Auditors remuneration		
-Audit of these financial statements	2,025	1,990
Depreciation	128,726	128,726

### 3. Director's emoluments

The Director did not receive any emoluments (2018: £nil).

### 4. Staff numbers and cost

No staff are employed by the company (2018: nil).

### 5. Interest payable and similar charges

	2019	2018
	£	£
Loan interest	138,686	132,040

### 6. Interest receivable and similar income

	2019	2018
	£	£
Release of deferred capital grant	19,907	19,907

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)

### 7. Taxation

#### Analysis of tax charge in the period

	2019 £	2018 £
UK Corporation Tax	-	-

**Factors affecting tax charge for the period:** The tax assessed for the period is the same as (2018: is the same as) the standard rate of corporation tax in the UK by 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(150,732)	(145,300)
Loss at 19% (2018: 19%)	(28,639)	(27,607)
Capital allowances less than depreciation	24,458	24,458
Unrecognised tax loss	4,181	3,149
Tax for the period	-	-

A deferred tax asset of £3,067 (2018: £21,486) has not been accounted for on the grounds that a deed of covenant has been put in place. The deferred tax asset arose primarily due to the availability of tax losses £16,730 (2018: £113,085).

### 8. Tangible fixed assets

	Freehold land £	Leasehold Property £	Total £
<b>Cost</b>			
At 1st August 2018 and 31 <sup>st</sup> July 2019	900,000	5,150,676	6,050,676
<b>Depreciation</b>			
At 1st August 2018	-	2,357,194	2,357,194
Charge for the year	-	128,726	128,726
At 31 <sup>st</sup> July 2019	-	2,485,920	2,485,920
<b>Net book value</b>			
At 31 <sup>st</sup> July 2019	900,000	2,664,756	3,564,756
At 31 <sup>st</sup> July 2018	900,000	2,793,482	3,693,482

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)

### 9. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	187,966	176,850
Amounts owed to group undertakings (see note 10)	961,324	960,561
Other creditors	12,694	13,781
VAT	9,847	4,828
Deferred capital grant (see note 11)	19,907	19,907
	<u>1,191,738</u>	<u>1,175,927</u>

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

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

	2019	2018
	£	£
Bank loan	467,872	655,838
Amounts owed to group undertakings	2,889,869	2,702,008
Deferred capital grant (see note 11)	386,011	405,919
Preference shares of £1 each	1,800,000	1,800,000
	<u>5,543,752</u>	<u>5,563,765</u>

Payments due on mortgages, leases and loans	2019	2018
	£	£
<b>Due within one year or on demand</b>	<b>187,966</b>	<b>176,850</b>
Due between one and two years	199,862	187,966
Due between two and five years	268,010	467,872
<b>Due after more than one year</b>	<b>467,872</b>	<b>655,838</b>
	<u>655,838</u>	<u>832,688</u>

Amounts owed to Group undertakings incur interest at 2.5% over Base Rate plus LIBOR (2018:2.5%).

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.

# SUSSEX INNOVATION CENTRE DEVELOPMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019 (CONTINUED)

### 11. Deferred capital grant

	2019	2018
	£	£
At 1st August 2018	425,826	445,733
Released to statement of comprehensive income	(19,907)	(19,907)
At 31st July 2019	<u>405,919</u>	<u>425,826</u>

### 12. Share capital

	2019	2018
	£	£
<b>Authorised</b>		
Equity: ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
<b>Allotted, called up and fully paid</b>		
Equity: ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 13. 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 provided services amounting to £102,096 (2018: £102,096) to 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 (2018: £nil).

### 14. 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.